2024 Annual Financial Report

AGSM AIM Group
Annual Financial Report
2024

CORPORATE, MANAGEMENT AND CONTROL BODIES

BOARD OF DIRECTORS

Chairperson:	Federico Testa
Deputy Chairperson:	Stefano Fracasso
Chief Executive Officer:	Alessandro Russo
Director:	Angela Broglia
Director:	Pierantonio Dal Lago
Director:	Paola Strada

BOARD OF STATUTORY AUDITORS

Chairperson:	Cinzia Giaretta
Standing Auditor:	Alberto Mion
Standing Auditor:	Silvia Zenati

INDEPENDENT AUDITORS
BDO Italia Spa

COMPANY DETAILS

Company name: AGSM AIM SpA
Share capital: Euro 95,588,235
Registered office: Lungadige Galtarossa 8 - 37133 Verona (VR)
TAX ID CODE 00215120239
VAT number 02770130231
REA VR - 30821
www.agsmaim.it

SUMMARY:

Report on Operations
AGSM AIM Group

Dear Shareholders,

The consolidated financial statements of the AGSM AIM Group as at 31 December 2024 show a revenue of Euro 1,918,072 thousand and a profit for the year of Euro 52,610 thousand, of which Euro 48,858 thousand pertaining to the Group after depreciation, amortisation, write-downs and provisions of Euro 93,204 thousand. EBITDA amounted to Euro 181,824 thousand, up by around Euro 25 million (16%) on 2023.
The net financial position amounted to Euro 377,072 thousand and was substantially stable despite significant investments totalling Euro 137 million for the development and upgrading of plants and infrastructure, together with the digital transformation.

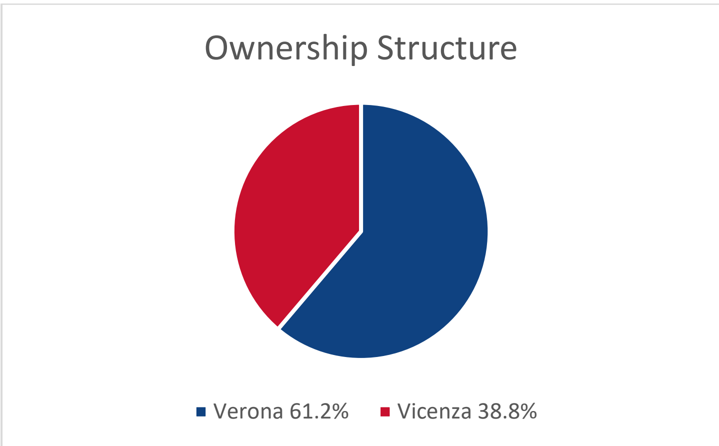
The results achieved in the year 2024, which show marked growth compared to the previous year thanks to the contribution of all the Business Units, confirmed the solidity and effectiveness of the multi-business model and its high level of resilience.
Despite the increasingly complex and rapidly evolving geopolitical environment and the macroeconomic variables – including inflation dynamics, interest rates, the energy scenario, and climate change – the AGSM AIM Group has reaffirmed its commitments and ambitions in 2024 and for future financial years, charting its progress toward sustainable energy transition.

1.1 Profile of the AGSM AIM Group

Ownership Structure

The AGSM AIM Group was founded in December 2020 following the business combination (merger by incorporation) between AIM Vicenza Spa and AGSM Verona Spa. The transaction stemmed from the common development project concentrated in Northeast Italy, with the main objective of sharing strategic lines of growth through the enhancement of individual sector companies, their brands and territorial coverage.
As a result of the business combination, the AGSM AIM Group enjoyed a significant expansion in the scope of its activities, both in terms of business and area covered, while continuing to operate in the public services sector.
The Group is fully publicly owned as its capital is held by the Municipality of Verona and the Municipality of Vicenza.
The share capital of the Parent Company as at 31 December 2024 amounted to Euro 95,588 thousand, fully paid in and consisting of 63,725,490 ordinary shares, with a nominal value of Euro 1.5 each. The breakdown of the share capital is as follows:

- 61.20% held by the Municipality of Verona
- 38.80% held by the Municipality of Vicenza.



The Parent Company AGSM AIM S.p.A. is a Public-Interest Entity (PIE) as the holder of a bond issued on the regulated market of the Irish Stock Exchange.

Business sectors and Corporate structure of the AGSM AIM Group

The Group operates mainly in the following areas:

- generation of electricity;
- production of electricity and heat for district heating networks;

- electricity and gas distribution and metering;
- sale of electricity, gas and heat;
- public lighting;
- waste collection, treatment and transport;
- telecommunications services;
- parking management.

In view of the above activities, six Business Units (BUs) have been identified to which specific companies are accountable.

Power Business Unit: operating in the production of electricity with thermoelectric, hydroelectric, wind and photovoltaic plants, headed by AGSM AIM Power S.r.l.;

Heat Business Unit: operating in the production of electricity and heat for district heating networks with cogeneration plants and thermal energy distribution systems, headed by AGSM AIM Calore S.r.l.;

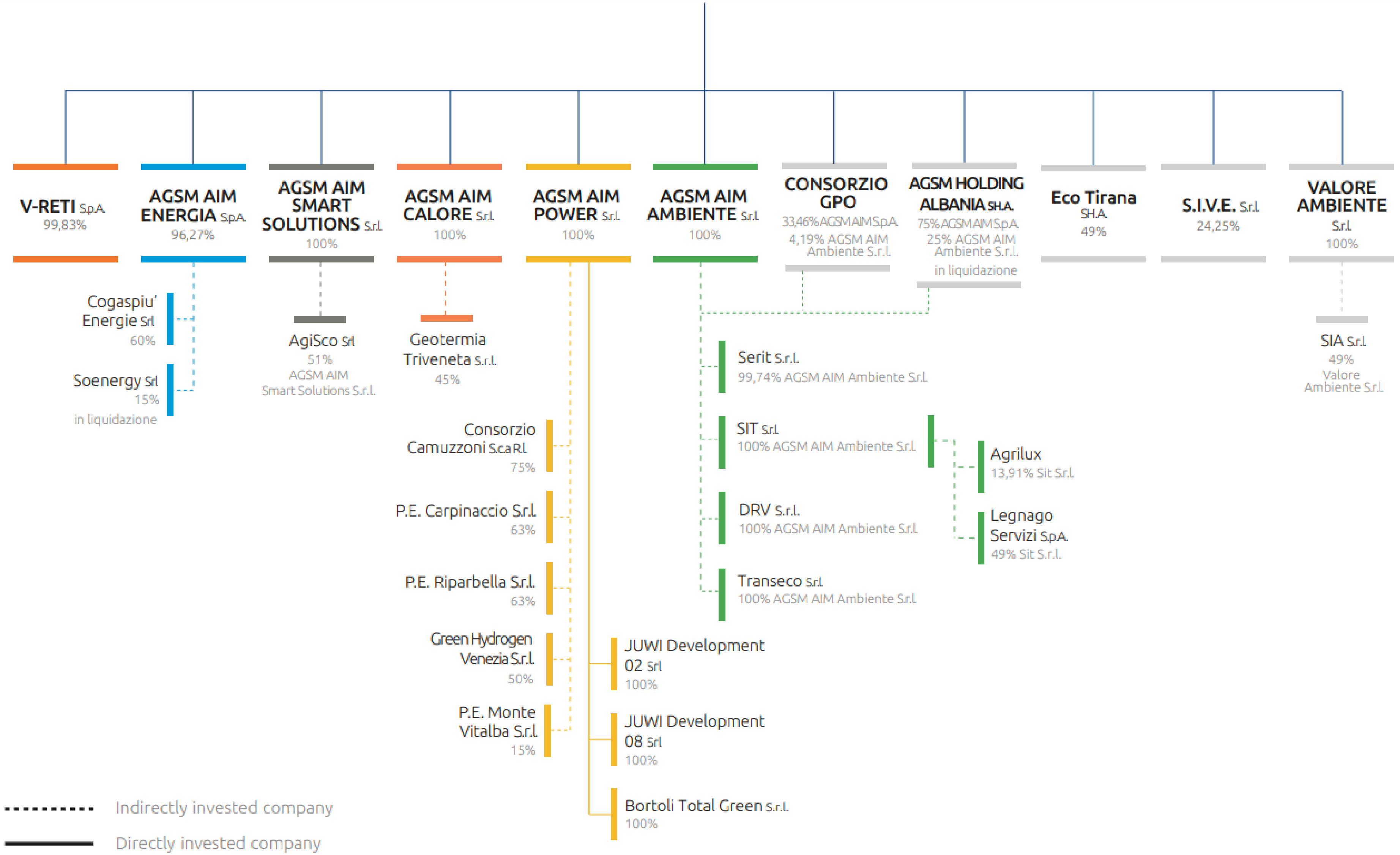
Networks Business Unit: operating in the gas and electricity distribution and metering sector, headed by V Reti S.p.A.;

Market Business Unit: active in the sale of electricity, gas and heat in the various market segments, headed by AGSM AIM Energia S.p.A.;

Smart Business Unit: operating in the public lighting, telecommunications and parking management and sustainable mobility sectors, headed by AGSM AIM Smart Solutions S.r.l.;

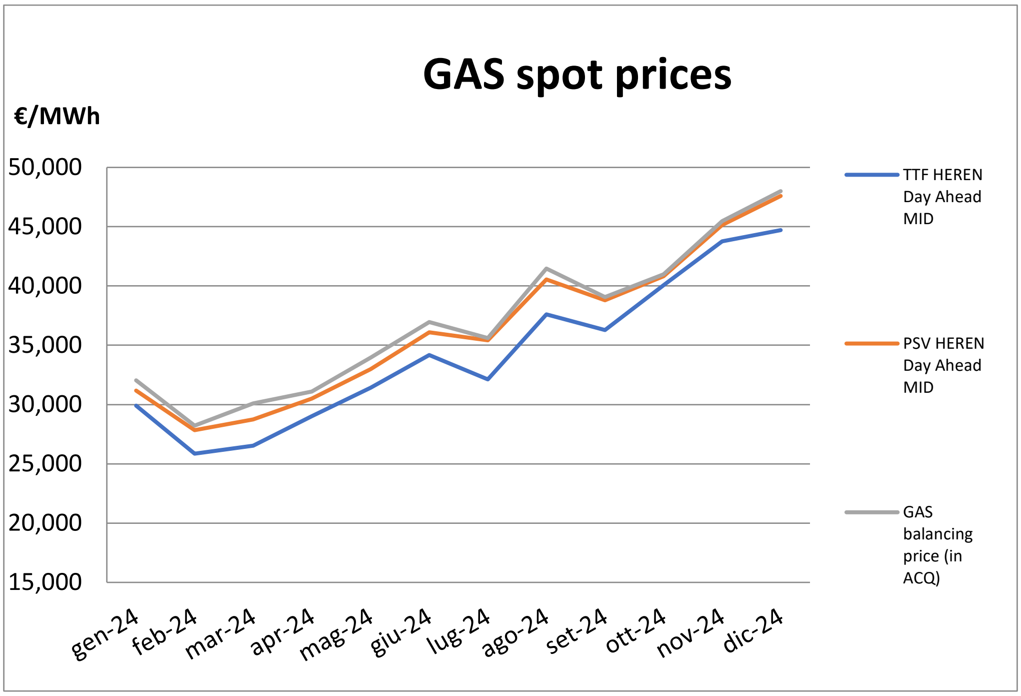
Environment Business Unit: operating in the waste collection, treatment and disposal sector, headed by AGSM AIM Ambiente S.r.l.

The diagram below shows the group's corporate organisation as at 31 December 2024.

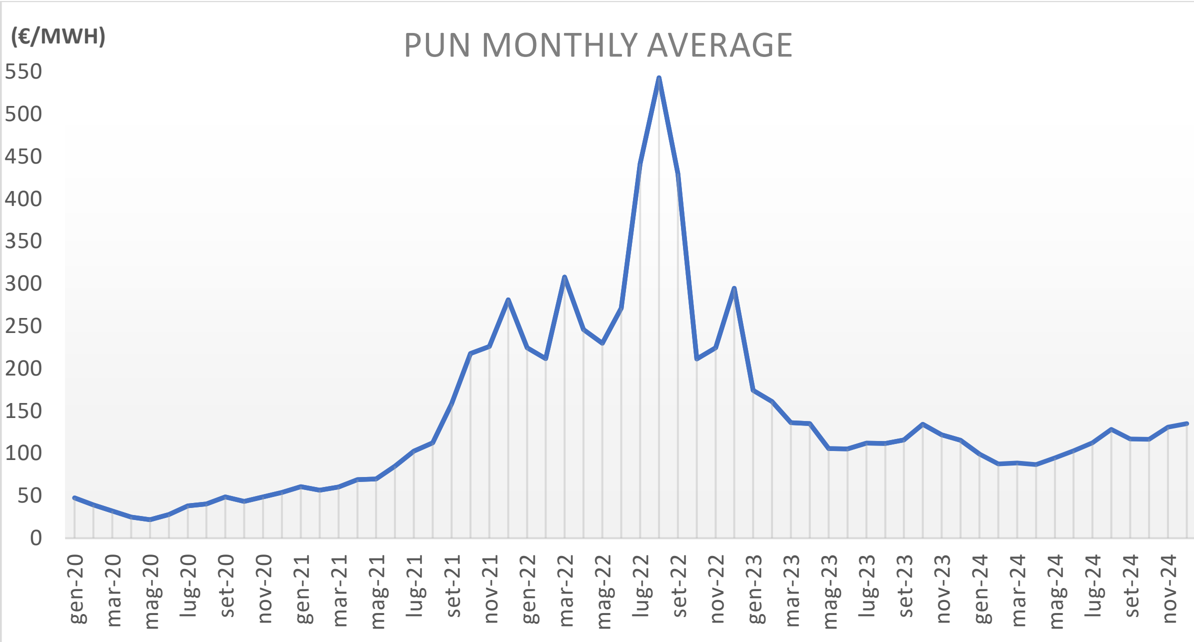

V-RETI S.p.A.
99,83%
AGSM AIM ENERGIA S.p.A.
96,27%
AGSM AIM SMART SOLUTIONS S.r.l.
100%
AGSM AIM CALORE S.r.l.
100%
AGSM AIM POWER S.r.l.
100%
AGSM AIM AMBIENTE S.r.l.
100%
CONSORZIO GPO
33,46% AGSM AIM S.p.A.
4,19% AGSM AIM Ambiente S.r.l.
AGSM HOLDING ALBANIA SH.A.
75% AGSM AIM S.p.A.
25% AGSM AIM Ambiente S.r.l.
in liquidazione
Eco Tirana SH.A.
49%
S.I.V.E. S.r.l.
24,25%
VALORE AMBIENTE S.r.l.
100%
Cogaspiu' Energie Srl
60%
Soenergy Srl
15%
in liquidazione
AgiSco Srl
51%
AGSM AIM Smart Solutions S.r.l.
Geotermia Triveneta S.r.l.
45%
Consorzio Camuzzoni S.c.a R.L.
75%
P.E. Carpinaccio S.r.l.
63%
P.E. Riparbella S.r.l.
63%
Green Hydrogen Venezia S.r.l.
50%
P.E. Monte Vitalba S.r.l.
15%
JUWI Development 02 Srl
100%
JUWI Development 08 Srl
100%
Bortoli Total Green S.r.l.
100%
Serit S.r.l.
99,74% AGSM AIM Ambiente S.r.l.
SIT Srl
100% AGSM AIM Ambiente S.r.l.
DRV S.r.l.
100% AGSM AIM Ambiente S.r.l.
Transeco Srl
100% AGSM AIM Ambiente S.r.l.
Agrilux
13,91% Sit S.r.l.
Legnago Servizi S.p.A.
49% Sit S.r.l.
SIA S.r.l.
49%
Valore Ambiente S.r.l.
Indirectly invested company
Directly invested company

1.2 General macroeconomic scenario

In 2024, price movements were driven by weak demand, with a general decline in commodity prices, except for some significant cases such as gas, cocoa, gold, and silver.
While oil and coal prices remained substantially stable, the price of gas increased significantly over the 12 months of 2024. These increases reflected the ongoing process of replacing EU gas imports from Russia with liquefied gas imported from the United States. From 2021 to 2024, EU gas imports from Russia decreased by more than a third, while imports from the United States almost doubled. This replacement process will continue at least through the winter of 2024-2025, creating periods of tension in the European and US markets, and, more generally, in the global LNG market.
Year-on-year, there was a general reduction in commodity prices compared to 2023, although not as sharp as in 2022: Brent crude oil (-3%), electricity (-15%), gas (-14%), and coal (-12%).
For non-gas and electricity commodities, prices in 2024 were more volatile and did not move continuously upward, with Brent crude for example losing ground in the second half of the year.
For gas, prices on the main European hubs were on average 15% lower than in 2023, reaching the lowest levels since 2021. The trend was upward for almost all months, peaking in December 2024 with the PSV (Virtual Trading Point) at Euro 47.6/MWh and the TTF at Euro 44.7/MWh, with the annual spread between the two prices widening further compared to 2023, to reach Euro 2.02/MWh versus Euro 1.66/MWh in 2023.
As regards the outlook, the forecasts on the European futures markets at the end of December 2024 were for prices to continue to rise in 2025, more incisively on the Italian market.



Average annual electricity prices also fell sharply, due to their close correlation with gas prices: in Italy the average PUN (Single National Price) was EUR 108.5/MWh with a reduction of about 15% compared to 2023. The reduction in fuel costs contributed to the decline in European electricity prices. However, they are still higher than those seen up to 2020.



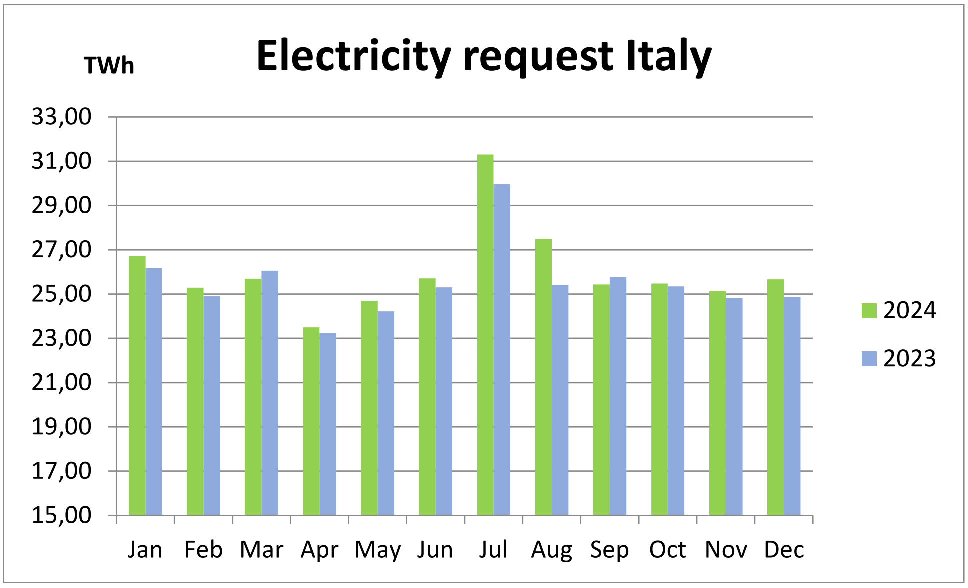
One notable development was the rarely observed positive spread between Germany and France (at an all-time high of around +Euro 20/MWh), mostly attributable to the contrasting trends in the two countries' power generation sectors: France saw rising nuclear and hydroelectric output, while Germany experienced a further decline in its coal and lignite generation after the completion of its nuclear phase-out in 2023.
The average price of Guarantees of Origin (GO) produced and traded in 2024 fell sharply compared to 2023, reaching an average of Euro 1.3/MWh.
Average prices for the 2024 production year were highly volatile, fluctuating within a range of Euro 0.30 – 4.00/MWh, with the highest values recorded in the first part of the year, followed by a continuous decline throughout the second half.
For gas and electricity, unlike 2023, prices were almost always on the rise through to the end of the year, hitting annual lows in February for gas and in April for electricity, and then rising to their highs in December, at around +36% for electricity and +53% for gas compared to the figures recorded in January. The highly vulnerable and unpredictable trends in prices, which have been a feature of both commodities, is attributable to several events that can be summarised as follows:

a. In the first half of the year, the global price of liquefied natural gas (LNG) strongly influenced gas prices on the European network;
b. In the second half, the TTF gas price began to support the JKM price for LNG. The following main factors increased pressure on gas availability in Europe:
    a. Closure of the Ukrainian pipeline – From January 1, 2025, the transit of Russian gas through Ukraine to Central Europe was stopped, reducing pipeline supplies.
    b. Increased consumption of gas for heating and thermoelectric production.
    c. Greater than expected reduction of winter reserves.
    d. Lower wind power generation in the second half of the year.

This situation made Europe an increasingly attractive market for LNG supplies, with direct effects on global price trends.

Electricity market

The demand for electricity in Italy decreased in every month of 2024, except for March and September, compared to the same months of the previous year, except for October. According to initial calculations carried out by Terna, total electricity demand in Italy in 2024 amounted to 312.10 TWh (1.96% compared to 2023). The peak in power was recorded on Friday 19 July between 14:00 and 15:00 and amounted to 57,869 MW, whereas in 2023 it had occurred on Wednesday 19 July between 16:00 and 17:00 and amounted to 58,778 MW. The demand for electricity in Italy, obtained as production + foreign balance - pump consumption, in 2024 compared to the corresponding figures for 2023 is as follows:

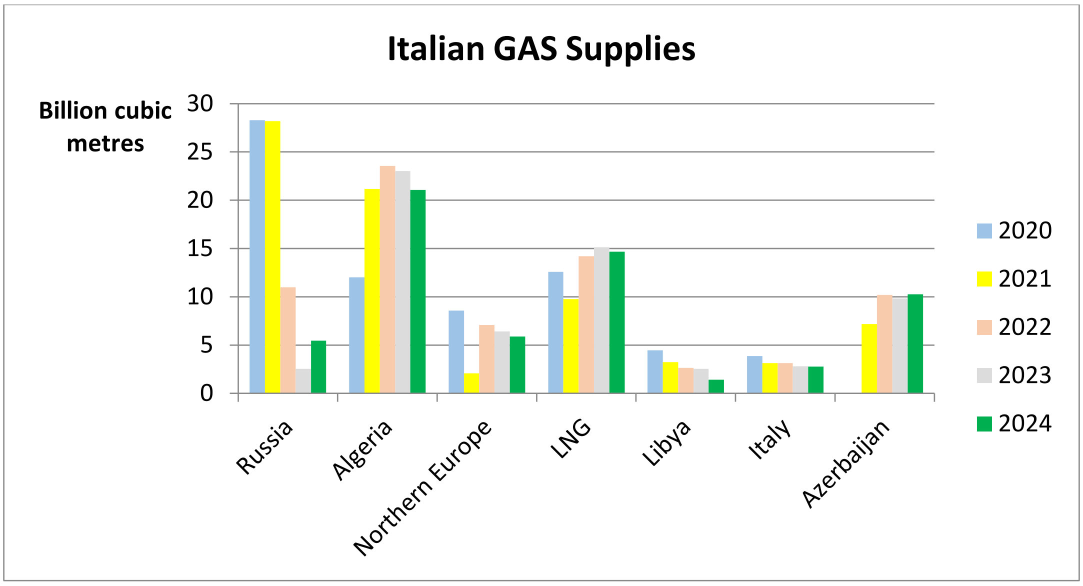


In 2024, the demand for electricity in Italy was 46.9% (-7.3%) met by production from non-renewable energy sources and the remaining share by production from renewable sources and the foreign balance.
In particular, production from renewable energy sources met 41.2% of the demand for electricity (compared to 36.8% in 2023). The increase was mainly due to greater hydroelectric and photovoltaic production.
In 2024 total net domestic production met 83.67% of the demand for electricity, while 16.33% was covered by the balance from foreign countries.
Total net domestic production in 2024 was 261.287 TWh (2.52% compared to 2023) and the share of sales from renewable energy plants contributed with the following percentages: hydroelectric power 19.76%, biomass 5.13%, geothermal 2.00%, wind power 8.37% and photovoltaic 13.69%.
In detail, net domestic production, compared to last year, saw reduced production from thermoelectric sources (-7.27%) and reduced production from geothermal (-1.46%) and wind (-5.59%) sources. Hydroelectric generation grew strongly (+36.17%), as did photovoltaic (+17.88%), while imports remained almost unchanged (-0.49%). The average purchase price of electricity on the exchange (PUN) stood at EUR 108.52/MWh, down by Euro 18.72/MWh compared to 2023 (-14.7%). This decline was seen in the months of the first half of the year. The initial decline and subsequent rise in the PUN were driven by gas prices in Europe, which were shaped by a new market equilibrium following increased LNG imports, whose prices are set across several global markets and are subject to a broader range of influencing factors.
The highest hourly price that originated was equal to Euro 275.12/MWh, recorded from 6.00 pm to 7.00 pm on Wednesday 11 December while the lowest price that was equal to Euro 0.10/MWh occurred from 1.00 pm to 2.00 pm on Sunday 7 April:

	PUN (Euro/MWh)	Peak (Euro/MWh)	Non Peak (Euro/MWh)
Jan-24	99.16	110.30	92.58
Feb-24	87.63	97.40	82.08
Mar-24	88.86	97.25	84.56
Apr-24	86.80	86.95	86.72
May-24	94.88	97.34	93.43
Jun-24	103.17	106.79	101.36
Jul-24	112.32	112.78	112.05
Aug-24	128.44	127.41	129.00
Sep-24	117.13	126.61	112.02
Oct-24	116.69	125.39	112.01
Nov-24	130.89	141.30	123.55
Dec-24	135.06	156.01	123.55
average	***108.52***	***115.46***	***104.55***

Natural gas market

In 2024, Italy saw a third consecutive decline in demand for natural gas (-2.5% compared to 2023), which fell to its lowest level in the last 15 years, to a total of 61.7 billion cubic meters. Consumption decreased in every month except some of the winter months due to temperature-driven demand.
Civil consumption stood at 27.17 billion cubic meters (+1.8%), industrial consumption at 11.62 billion cubic meters (+1.3%), thermoelectric consumption at 20.843 billion cubic meters (-1.6%), and other uses at 2.1 billion cubic meters (-47.8%).
On the supply side, there was a slight reduction in gas imports via pipeline (-0.75%), which were already very low, and a significant reduction in regasification terminal imports (-10.0%). Overall, total imports fell to 58.74 billion cubic metres (-3.4%).
The amount of gas sent into Italian storage systems fell, but were still at significant levels reaching 8.27 billion cubic metres (-0.2%), while the gas delivered increased to 8.48 billion cubic metres (+6.4%). The volume of gas in Italian storage facilities as at 31 December 2024 was in line with the average of recent years at 10 billion cubic metres (-3.3% compared to 31 December 2023).
Domestic production hit an all-time low, at only 2.7 billion cubic metres.
Total gas supplies in 2024 (import and national production) totalled 61.5 billion cubic metres compared to 62.3 billion cubic metres in 2023 (-1.3%). Domestic production accounted for only 4.48%, with all imports except those with LNG and from Libya which were down:

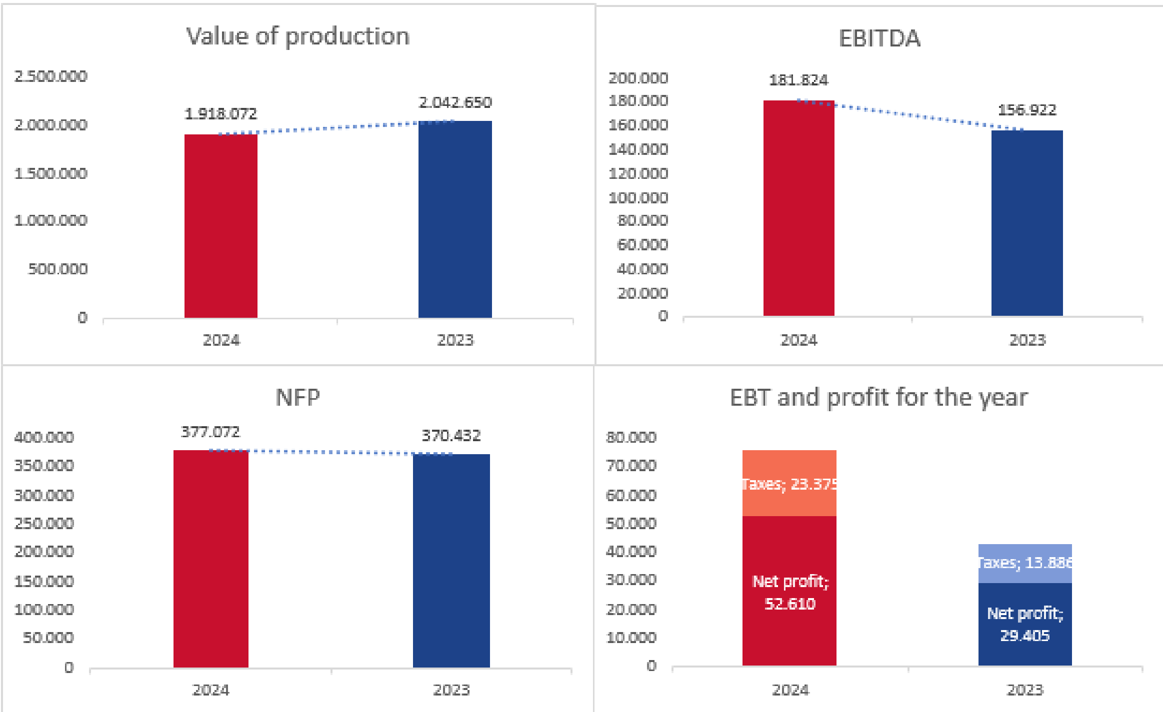


1.3 Main economic and financial aspects of the Group

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") in force at 31 December 2024. The table shown below indicates the main income statement results achieved in 2024.

1.3.1 Economic position

In 2024, the Group achieved positive economic performance in terms of operating earnings, despite operating in an unstable energy market with frequent and sudden fluctuations.
All the Group Business Units contributed to this result.
The main performance indicators with reference to the results for the financial years 2024 and 2023 are shown below.
The values in the graphs below are shown in thousands of Euro.

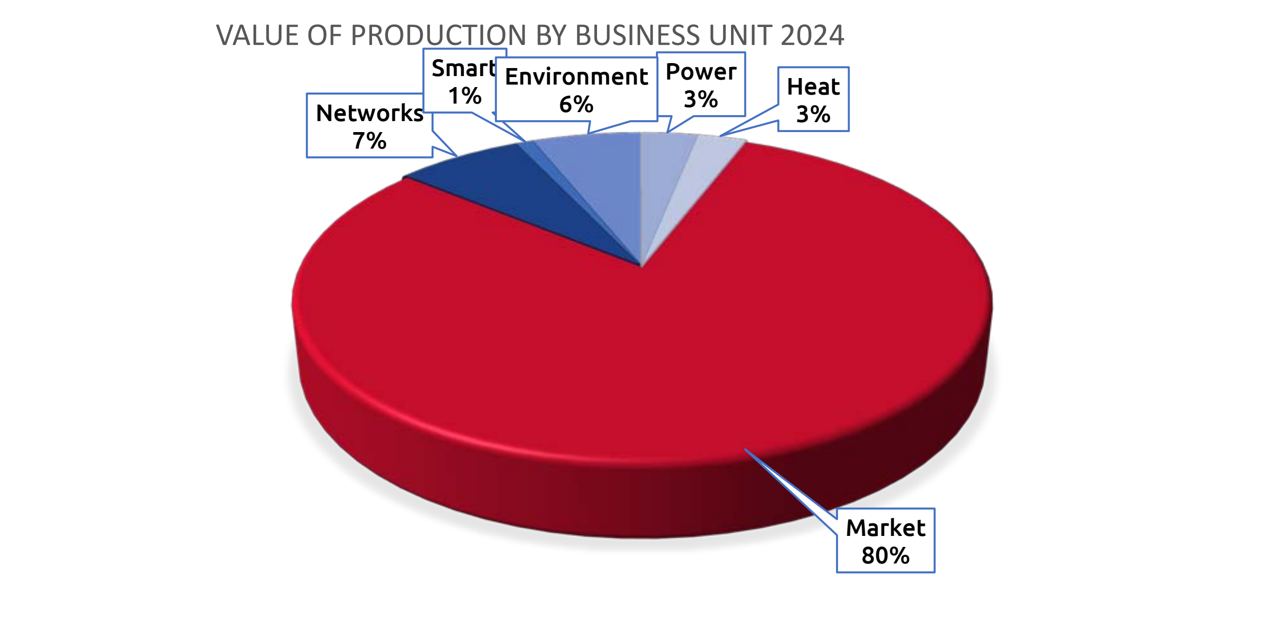


As mentioned above, the Group's overall profit for the year came to Euro 52,610 thousand, with a return on equity (ROE) of 8%.

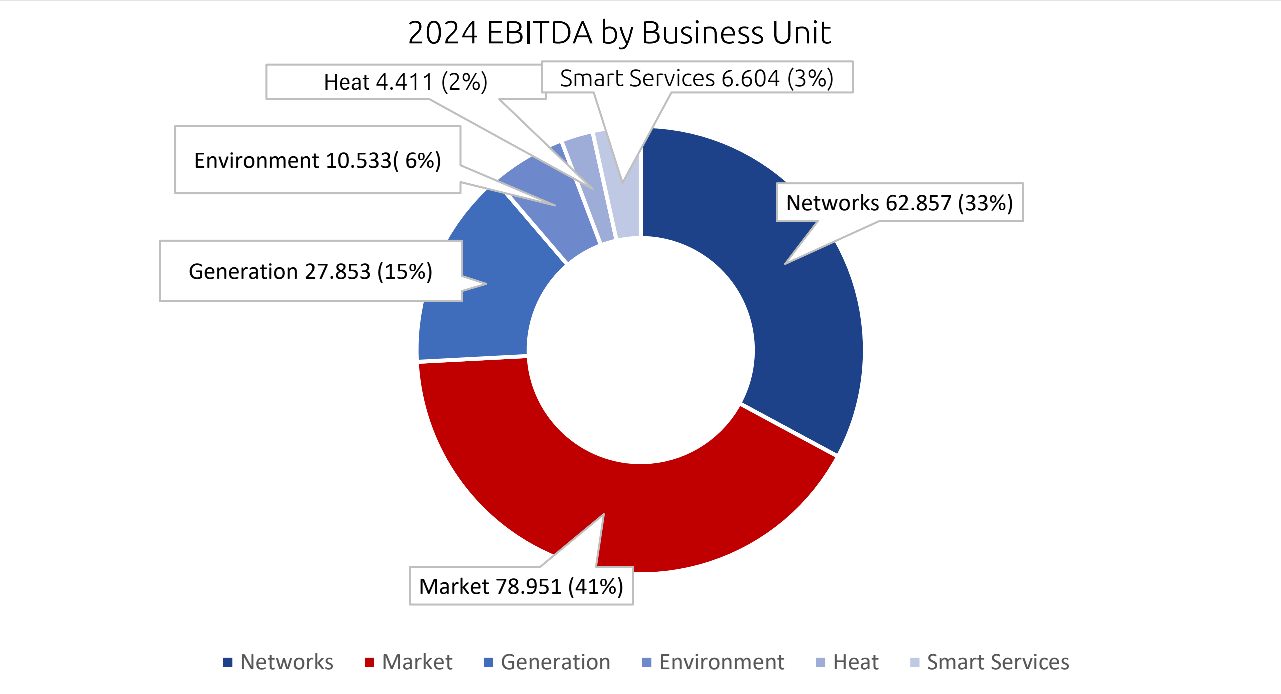
INCOME STATEMENT	2024	%	2023	%
Revenue	**1,918,072**	**100%**	**2,042,650**	**100%**
Revenue from sales and services	1,851,191	97%	1,978,013	97%
Change in inventories	(1,015)	0%	(7,821)	0%
Other revenue	67,896	4%	72,458	4%
Operating costs	**1,639,298**	**85%**	**1,793,932**	**88%**
Raw materials and consumables	864,900	45%	1,204,785	59%
Services	733,811	38%	554,511	27%
Leases and rentals	15,129	1%	12,576	0%
Other operating costs	25,457	1%	22,060	1%
Added value	**278,774**	**15%**	**248,718**	**12%**
Personnel costs	96,951	5%	91,796	4%
EBITDA	**181,824**	**9%**	**156,922**	**8%**
Amortisation, depreciation, and provisions	**93,204**	**5%**	**92,563**	**5%**
Amortisation and depreciation	78,780	4%	72,288	4%
Write-down of receivables	8,959	0%	9,778	0%
Other provisions	5,250	0%	10,498	1%
Impairment of fixed assets	215	0%	-	0%
Net operating income	**88,619**	**5%**	**64,359**	**3%**
Financial position	**(12,635)**	**1%**	**(21,570)**	**1%**
Income from equity investments	556	0%	418	0%
Financial income	2,955	0%	5,875	0%
Financial expenses	(16,708)	1%	(27,800)	1%
Adjustments to financial assets	562	0%	(63)	0%
Pre-tax profit (loss)	**75,985**	**4%**	**42,789**	**2%**
Income taxes	23,375	1%	13,886	1%
Profit (loss) from operations	**52,610**	**3%**	**28,903**	**1%**
Profit (loss) from discontinued operations, net of tax effects	-	0%	502	0%
Profit (loss) for the year	**52,610**	**3%**	**29,405**	**1%**
Profit (Loss) attributable to the Parent	48,858	3%	27,057	1%
Minority Interests	3,752	0%	2,348	0%

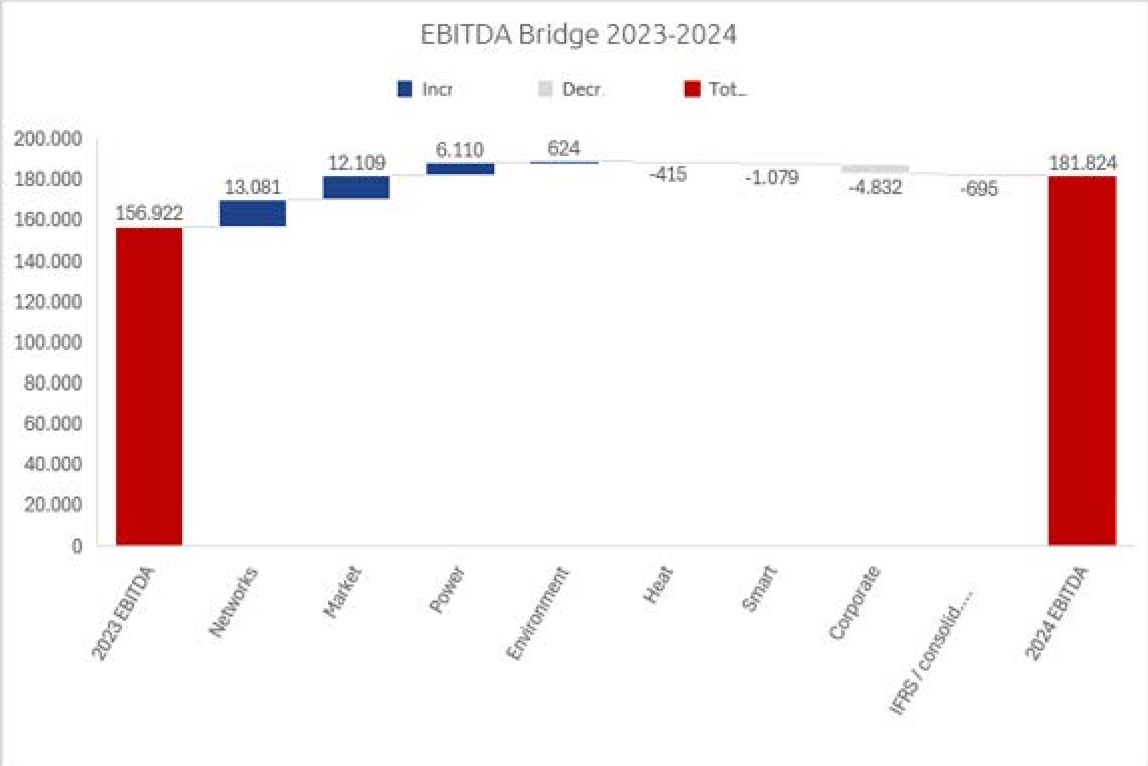
- **Revenue** amounted to Euro 1,918,072 thousand, down 6% compared to 31 December 2023;
- **added value**, i.e. the difference between revenue and external costs, amounted to Euro 278,774 thousand, up by Euro 30,057 thousand on the previous year;
- **EBITDA** was Euro 181,824 thousand, up by Euro 24,901 thousand with a percentage on the value of production amounting to 9%;
- **amortisation/depreciation and impairment** amounted to Euro 87,954 thousand and provisions amounted to Euro 5,250 thousand;
- the **financial position** was negative at Euro 12,635 thousand, an improvement on the figure of Euro 21,570 thousand for 2023;
- **pre-tax profit** amounted to Euro 75,985 thousand compared to Euro 42,789 thousand in 2023;
- **net profit** amounted to Euro 52,610 thousand compared to Euro 29,405 thousand in 2023.

Below is a breakdown of revenue and EBITDA for each Business Unit:



Below is a breakdown of EBITDA for each Business Unit:




EBITDA Bridge 2023-2024
Incr
Decr
Tot...
200.000
180.000
160.000
140.000
120.000
100.000
80.000
60.000
40.000
20.000
0
156.922
13.081
12.109
6.110
624
-415
-1.079
-4.832
-695
181.824
2023 EBITDA
Networks
Market
Power
Environment
Heat
Smart
Corporate
IFRS / consolid...
2024 EBITDA

1.3.2 Financial position

The financial position can be summarised as follows in terms of changes in invested capital and sources of financing:

	2024	%	2023	%
INVESTED CAPITAL				
Net non-current assets				
Intangible assets	436,457		427,117	
Property, plant and equipment	532,252		486,356	
Goodwill	52,985		53,046	
Equity investments and other non-current financial assets	62,453		62,233	
Deferred tax assets/liabilities	15,615		8,672	
Employee benefits	(18,074)		(20,572)	
Provision for risks and charges	(64,211)		(59,647)	
Other non-current assets/liabilities	(21,542)		(21,361)	
Total net non-current assets	**995,933**	**92%**	**935,843**	**89%**
Net operating capital				
Short-term assets				
Inventories	17,759		21,280	
Trade receivables	515,929		392,611	
Other current assets	72,605		106,015	
Total short-term assets	**606,293**		**519,906**	
Short-term liabilities				
Trade payables	(381,910)		(262,477)	
Other current liabilities	(142,536)		(143,441)	
Total short-term liabilities	**(524,446)**		**(405,918)**	
Total net operating capital	**81,848**	**8%**	**113,987**	**11%**
TOTAL INVESTED CAPITAL	**1,077,781**	**100%**	**1,049,831**	**100%**
SOURCES OF HEDGING				
Equity				
Share capital	(95,588)		(95,588)	
Legal reserve	(18,574)		(16,348)	
Other reserves	(516,091)		(520,024)	
Profit (loss) for the year	(48,858)		(27,057)	
Group total equity	**(679,112)**		**(659,017)**	
Minority Interests	(21,597)		(20,381)	
Total Equity	**(700,709)**	**65%**	**(679,398)**	**65%**
Net Financial Position				
Short-term net financial position	(207,588)		(214,063)	
Medium/long-term net financial position	(169,483)		(156,370)	
Total net financial position	**(377,072)**	**35%**	**(370,432)**	**35%**
TOTAL SOURCES	**(1,077,781)**	**100%**	**(1,049,830)**	**100%**

Compared to the equity and financial position of the previous year, the overall invested capital, equal to Euro 1,077,781 thousand was essentially in line with the figure of Euro 1,049,831 thousand. The reduction in working capital of Euro 32,140 thousand (from Euro 113,987 thousand to Euro 81,848 thousand) was due to the reduction in strains in the energy markets and the management focus on payment times and credit management.
The increase in the total of non-current assets of Euro 60,090 thousand was attributable to the significant investment activity as regards Euro 137,000 thousand with amortisation/depreciation of Euro 78,780 thousand.

65% of net invested capital was financed by equity and the remainder by other sources of financing, mainly provided by the banking system, to support the working capital dynamics and investments.

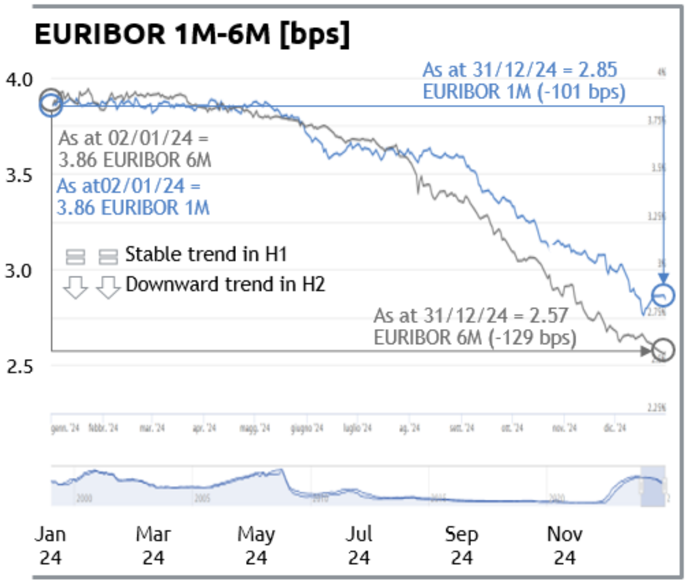
At the end of the year, the total net financial debt with exposure compliant with the ESMA/31-62-1426 guideline stood at Euro 377,072 thousand. This figure also includes the amounts due to Shareholders for dividends approved during the year and not yet paid for an amount of around Euro 65,800 thousand.

The following tables show the change in the net financial position in 2024 compared to 2023:

NET FINANCIAL DEBT	2024	2023
Cash and cash equivalents	27,130	26,789
Cash and cash equivalents	**27,130**	**26,789**
Current account liabilities	(108,551)	(106,100)
Mortgage loans - current portion	(58,196)	(51,248)
Bonds - current portion	-	(10,054)
Payables for rights of use - current portion	(2,171)	(2,450)
Payables for dividends to Municipalities	(65,800)	(71,000)
Current net financial debt	**(234,718)**	**(240,852)**
Mortgage loans - non-current portion	(111,570)	(152,398)
Bonds - non-current portion	(55,140)	-
Payables for rights of use - non-current portion	(2,773)	(3,972)
Non-current net financial debt	**(169,483)**	**(156,370)**
Total net financial debt	**(377,072)**	**(370,432)**

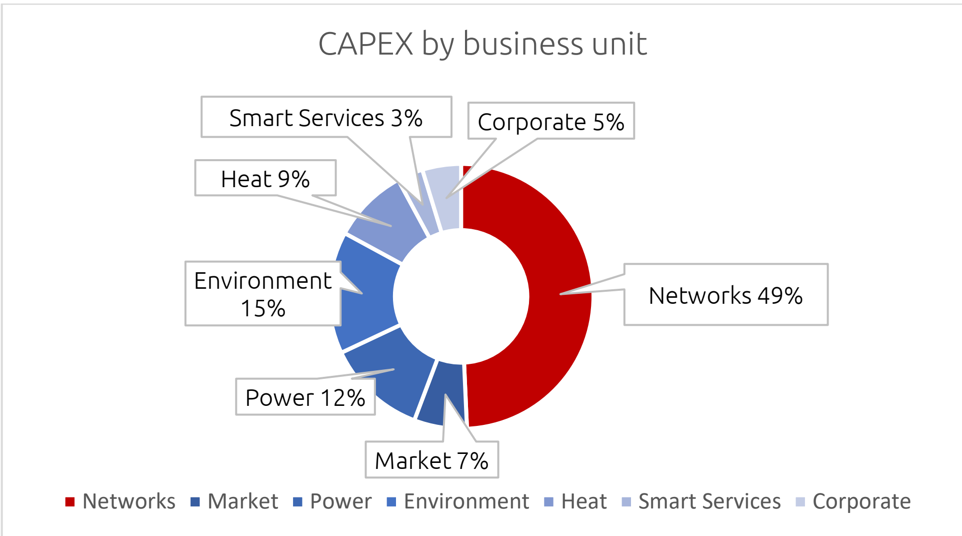
The Group continues to monitor the market in order to optimise the composition of its debt both in terms of diversification of sources and duration. In 2024, the company issued a medium- to long-term bond subscribed by parties outside the traditional banking system.
The favourable trend in interest rates, as shown in the chart below, and the accompanying lower working capital requirements, led to a significant reduction in financial expenses.
In 2024, the Parent Company also obtained an upgrade of its credit rating to A3.1, reflecting the Group's strength and its ability to meet financial commitments with low credit risk, and this rating places the company firmly within the investment grade category.

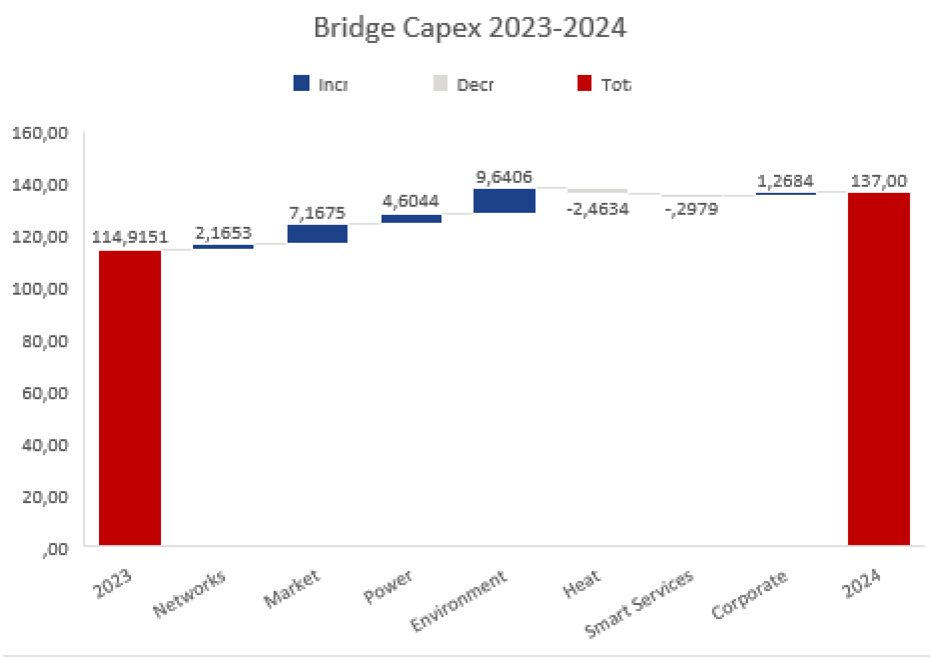
Cash flow analysis	2024	2023
Gross self-financing from operations	192,729	161,444
Cash flow from changes in NWC	25,262	321,680
Cash flows from other operations	(55,655)	(64,154)
Total operating cash flows	**162,336**	**418,970**
Cash flow from investment activities	(138,161)	(114,274)
Cash flow from financial activities	(23,833)	(296,573)
Net cash flow	**343**	**8,123**
Initial cash and cash equivalents	**26,790**	**18,667**
Closing cash and cash equivalents	**27,132**	**26,790**



1.4 Investments

Investments, a strategic priority of the AGSM AIM Group, amounted to Euro 137,000 thousand in 2024, up 19% compared to 2023.
In particular, around Euro 68,706 thousand was invested in the upgrading, extension and digitisation of the networks, Euro 20,747 thousand in the environment sector, mainly intended for the renewal and increase of the vehicle fleet and over Euro 4,131 thousand in smart services, in particular for the renewal of public lighting using LEDs, as well as in the telecommunications network and the electric charging infrastructure. Around Euro 30,517 thousand was invested for renewable generation and cogeneration plants. Lastly, in the corporate area, significant investments were also made in ICT and with reference to the corporate assets.
The following is a graphic breakdown of the investments by Business Unit.




Bridge Capex 2023-2024
Inc
Decr
Tot
160,00
140,00
120,00
100,00
80,00
60,00
40,00
20,00
,00
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2,1653
7,1675
4,6044
9,6406
-2,4634
-,2979
1,2684
137,00
2023
Networks
Market
Power
Environment
Heat
Smart Services
Corporate
2024

1.5 Human resources

The year 2024 was characterised by initiatives addressing the professional mix, staff onboarding, and employee training and development, with a focus on wellbeing, inclusion, and sense of belonging. In addition to organisational initiatives aimed at continuous process improvement, work was undertaken mid-year on implementing the new organisational model, simplifying the structure and reducing the number of direct reports to the Chief Executive Officer to five.

With regard to industrial relations, several measures were introduced to support workplace wellbeing, such as “solidarity hours” for those needing to care for children or family members, and new leave entitlements for accompanying/assisting children and parents over the age of 65. The agreement on the Performance Bonus was also renewed for 2024, allowing employees to opt to convert the bonus into welfare goods and services.
During 2024, bilateral joint committee meetings continued, as envisaged in the “trade union relations” protocol of 1 September 2021, with the function of developing proposals or actions for taking a more in-depth look into three specific areas: training; health, safety and the environment; welfare, promotion of equal opportunities, inclusion and diversity.

The 2024 recruitment plan aimed to:

- augment existing skills within the AGSM AIM Group by seeking specialised professionals in the labour market to adapt or create organisational units according to the needs of the Group’s business plan;
- use turnover replacement, to foster a change in the skills/specialisation/generational mix across the Group, identifying professionals in the labour market under 30, with advanced technical skills for technical roles, strong digital and data science skills for management positions, solid technical-vocational training for operational roles, a problem-solving approach, and excellent interpersonal skills for all hires;
- give preference to internal career development and mobility, limiting the recruitment of senior professionals to specific cases of skills gaps and urgent role requirements;
- maintain a constant focus on inclusion, with particular attention to gender equality.

In 2024, training and internal communication on inclusion began, which led to AGSM AIM S.p.A. obtaining the Gender Equality Certification (UNI PDR 125 2022). This process will be developed implemented in subsequent years and extended to all the Group Companies.

In terms of personnel management and development, the two multi-year training programmes continued, focusing on soft skills such as interpersonal communication, change management, and teamwork. A first course, VOLT Lab, was started in 2023 and aimed at the Heads of the AGSM AIM Group already involved in the performance management process; a second course, VOLT Learning Center, launched in 2023 and ending in 2025, involves all the employees of the AGSM AIM Group hired under the National Collective Bargaining Agreement (CCNL) for the electricity sector.
The training plan was completed with mandatory occupational health and safety training and technical training to maintain the technical and professional skills of all the employee categories.
A pilot project was launched to disseminate skills relating to Artificial Intelligence. This pilot project will be completed in the initial months of 2025.

Investments in staff development also focused on several specific projects:

- The onboarding process was designed and implemented to support all new hires during their first year. This process includes a welcome kit, a planned agenda for the first day, digitisation of hiring documentation, distribution of video tutorials containing key information about the Group and its values, and a digital tracking system for the onboarding journey involving the new hire, their manager, and the Organisation and Development team.
- The “Corporate Erasmus” project enabled 23 employees to spend a brief period in a different company function, allowing them to work on aspects unrelated to their daily work.
- Work continued on the VOLT UP project, aimed at developing individual skills and initially addressed to all AGSM AIM Group employees under the age of 40 (graduates and high school diploma holders in technical subjects). The project will be completed during 2025 with the aim of identifying specific individual courses for all participants, aimed both at professional development and at increasing engagement. The more than 80 participants in the 2024 project monitored their action plans, and in 2025 they will be involved in specific training initiatives.
- The AGSM AIM Group’s Digital Etiquette guide was produced and circulated with input from across the workforce. In 2024, the Group also continued its professional and career development activities through a well-structured action on salary increases.

1.8 Main aspects according to Business Unit

Power Business Unit

The Power Business Unit manages the plants for the production of electricity from various energy sources, thanks to a particularly diversified portfolio. More specifically, the Business Unit manages basin and run-of-the-river hydroelectric plants, as well as wind, photovoltaic and thermoelectric plants.

Production

In 2024, electricity production from renewable source plants recorded a general increase, rising by 28.5% compared to the previous year, mainly thanks to the hydroelectric sector. Specifically, electricity production from renewable sources amounted to 316.6 GWh, representing 83% of the total energy produced by the Business Unit (381.6 GWh).

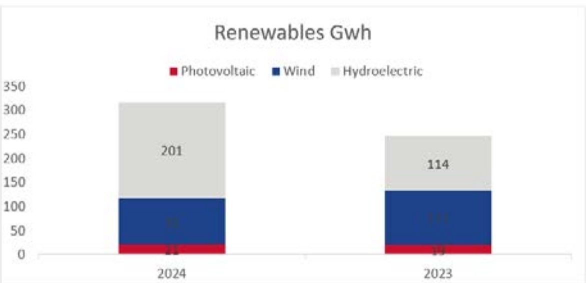
The hydroelectric sector benefited from frequent precipitation, which was a feature throughout the first half of the year and in the months of September and October. Overall, the hydroelectric segment produced 77% more than budget forecasts, driving the Business Unit's total production compared to the other segments.

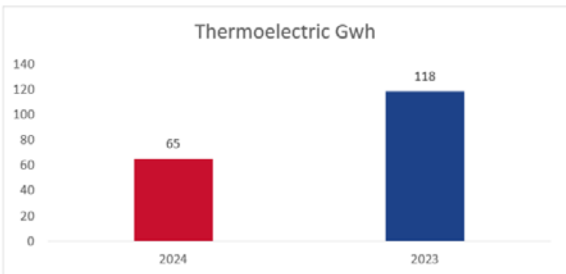
The wind power segment recorded differing performance across the various plants. Production in 2024 was down by 16% overall compared to 2023.

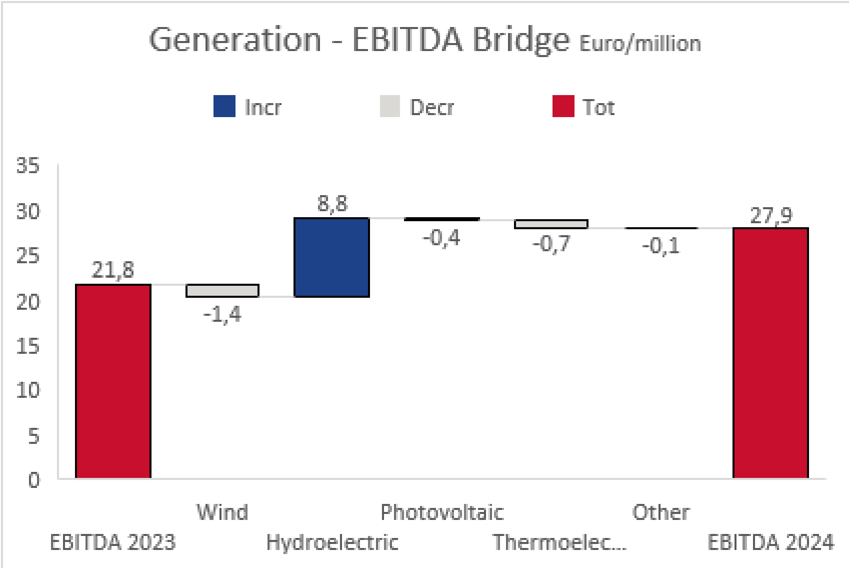
The photovoltaic sector was penalised by the low sunlight levels during the year, which affected all the plants located in northern Italy. Restoration work continued during 2024 on the plants in Abruzzo and Marche, with the work for the last two plants to be completed in 2025. In 2024, the new plants managed by Juwi Development 02 Srl entered into operation, contributing a production of 1.3 GWh.

In the thermoelectric segment, the Mincio plant operated intermittently, in response to calls from Terna, and network inspections were utilised for production in July. The energy scenario, characterised by a low-payoff combination of the PUN (Single National Price) and PSV (Virtual Trading Point) indices and CO2 quotas, had an extremely negative impact the plant's production. This, combined with a growing supply of electricity from renewable sources (especially for the hydroelectric sector), led to the thermoelectric power plant not being switched on for most of the months of 2024.

Income statement Euro/million	2024	2023	Change	% Change
Value of production	**65**	**70**	**(5)**	**-7%**
Costs of production	**(37)**	**(48)**	**11**	**-23%**
EBITDA	**28**	**22**	**6**	**28%**
EBITDA Margin	43%	30%		
EBIT	**17**	**9**	**8**	**93%**
EBIT Margin	26%	12%		
EBT	**17**	**9**	**7**	**78%**
EBT Margin	26%	13%		
Tax for the year	(5)	(3)	(2)	87%
Profit	**12**	**7**	**5**	**75%**
Profit/VoP	18%	10%		

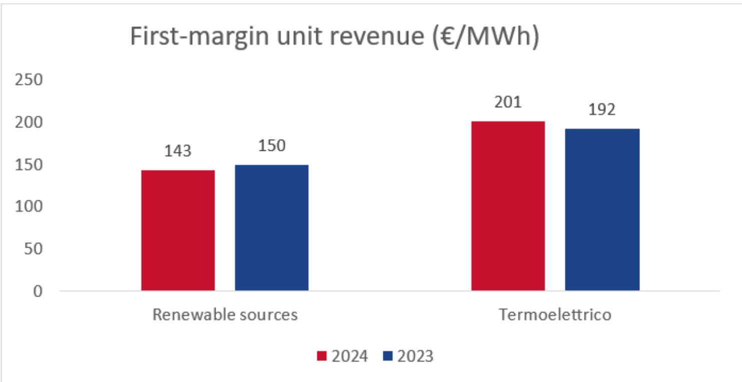






EBITDA amounted to Euro 28 million, compared to Euro 22 million in the previous year.
Looking at the impact of RES production on revenue, in 2024 there was a sharp increase in hydroelectric production (+77% vs 2023) and a slight increase in photovoltaic production (+4.6% vs 2023), only partially offset by a decline in wind production (-16% vs 2023).
Production from thermoelectric sources was 45% lower than in 2023, resulting in a decrease in both revenue and costs for natural gas and the cancellation of CO_2 quotas.

The investments made during the year amounted to Euro 16.8 million, representing 12% of the Group's total investments.
Finally, with regard to first-margin unit revenue, there was a reduction in the renewable energy sector, from Euro 150/MWh in 2023 to Euro 143/MWh in 2024 and an increase in the thermoelectric sector, with prices rising from Euro 192/MWh in 2023 to Euro 201/MWh in 2024.



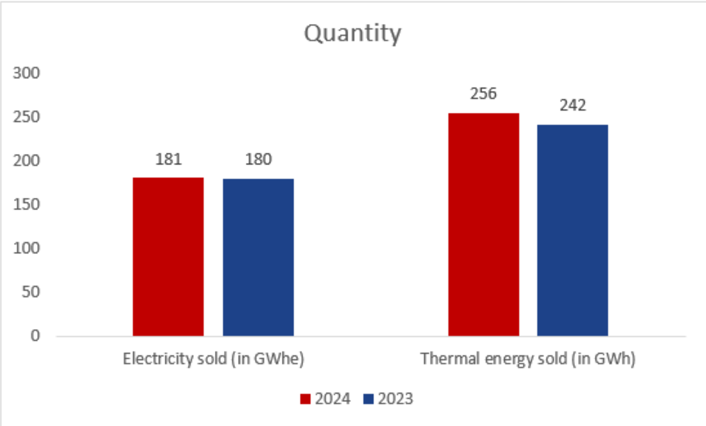
Heat Business Unit

The Heat Business Unit deals with the production and distribution of heat to customers connected to the district heating network in the municipalities of Verona and Vicenza, through cogeneration plants (Verona and Vicenza) and a geothermal well (Vicenza) that feed a network of about 200 km of pipelines and 68,935 equivalent flats.

Production

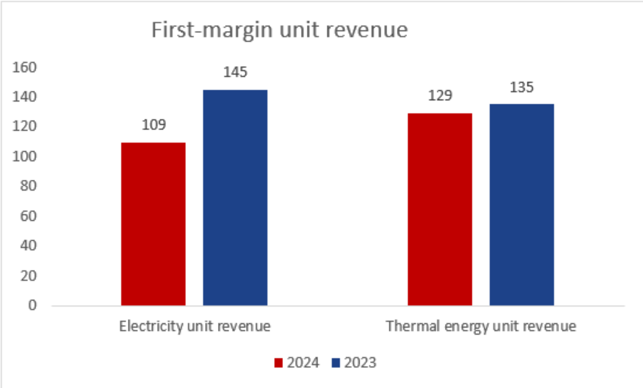
The start of the year (second half of the 2023-2024 heating season) was characterised by generally higher temperatures, especially in February and March, continuing the trend observed at the end of 2023. This led to lower demand for thermal

energy for the cogeneration plants at the beginning of the year, which was offset by higher demand in November and December, when temperatures were more in line with seasonal averages and there was a higher requirement for thermal energy. Overall, thermal energy production was 2% above budget forecasts.
In terms of electricity generation, the energy scenario of the past two years has particularly penalised cogeneration plants in the transition months between summer and the start/end of the heating season, when thermal energy volumes are not yet as significant as in winter. This trend was also evident this year, with electricity generation falling short of expectations, especially in April and October. Following engine shaft failures in both cogenerators in 2023, the Forte Procolo plant operated throughout the year with only one cogenerator instead of the usual two, further constraining electricity generation. A new high-efficiency cogenerator will be installed at the plant towards the end of 2025, which will also enable access to white certificates. Overall, electricity generation was 5% below budget forecasts.



Income statement Euro/million	**2024**	**2023**	**Change**	**% Change**
Value of production	**56**	**67**	**(11)**	**-16%**
Costs of production	**(52)**	**(62)**	**11**	**-17%**
EBITDA	**4**	**5**	**-**	**-9%**
EBITDA Margin	8%	7%		
EBIT	**1**	**-**	**-**	**67%**
EBIT Margin	1%	1%		
EBT	**-**	**-**	**-**	**-100%**
EBT Margin	0%	1%		
Tax for the year	-	1	(1)	-96%
Profit	**-**	**1**	**(1)**	**-97%**
Profit/VoP	0%	2%		

The revenue item “sales” consists of revenue from electricity generated by cogeneration plants (-26% compared to 2023) and revenue from thermal energy produced for the district heating service (stable compared to 2023).
EBITDA amounted to Euro 4.4 million, slightly down compared to the previous year (Euro 4.8 million). The first-margin unit revenue fell in both the thermal and electricity segments. In the thermal sector, they went from Euro 135/MWht in 2023 to Euro 129/MWht in 2024, while in the electricity sector they fell from Euro 145/MWh in 2023 to Euro 109/MWh in 2024. Looking at the impact of production on revenues, the volume of thermal energy produced was 4% higher than in 2023, while electricity generation was 1% lower.
The Company set up a provision for risks as a result of Authority Resolution “638/2023/R/tlr”. Instead of the revenue cap set in paragraph 4.1 of the resolution, Article 7.1 allows operators to apply an annual safeguard cap of 90% of pre-regulatory revenue to the actual annual revenue for providing the district heating service. Accordingly, in the 2024 accounts, AGSM AIM Calore will recognise the revenue from thermal energy at 90%, allocating the remaining 10% to a risk provision pending further clarification from the Authority on the effective application of this resolution. The amount set aside for the safeguard clause is Euro 3.8 million.



Work is continuing on the revamping of the Borgo Trento cogeneration plant, involving the replacement of the combined cycle gas turbine unit with two Otto cycle engines of approximately 12.5 MWe each, plus the installation of thermal energy storage tanks totalling around 800 cubic metres. In 2024, the executive project was produced and building and electromechanical works commenced.

The upgrading works is also progressing for the repowering of the Viale Cricoli plant in Vicenza, aimed at increasing the share of heat produced from renewable geothermal sources.
Within the Golosine district heating network, an infrastructure extension project was launched covering a total of 3.53 km in two phases. This work will enable the connection of two major property complexes, together with other buildings of public interest such as schools, fire stations, and properties of the Province of Verona, leading to an estimated extra supply of around 3,300 MWht per year.

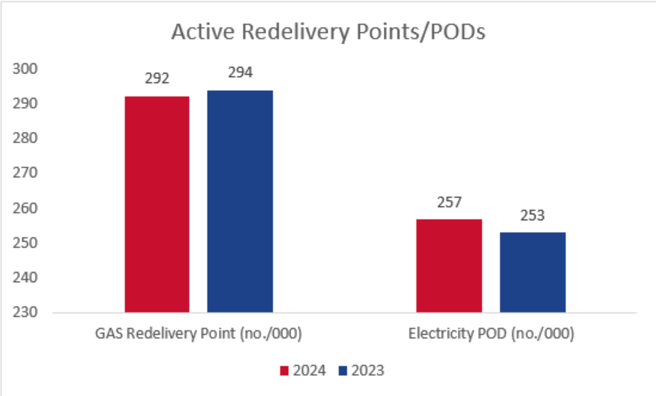
Lastly, the final project for the construction of five geothermal doublets for the Borgo Trento, Forte Procolo, City Centre, Golosine, and Banchette plants has been submitted to the Regional Authorities. The use of geothermal energy will involve extraction of the heat transfer fluid at depths between 2.8 and 3.0 km, before being reinjected into the subsoil.

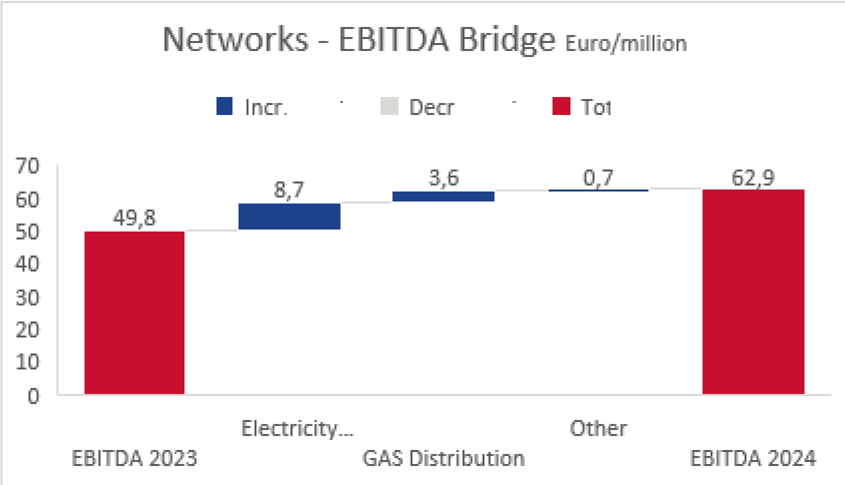
Networks Business Unit

The Networks Business Unit deals with the management of the gas and electricity distribution and metering service.

Income statement Euro/million	2024	2023	Change	% Change
Value of production	**145**	**125**	**20**	**16%**
Costs of production	**(82)**	**(75)**	**(7)**	**10%**
EBITDA	**63**	**50**	**13**	**26%**
EBITDA Margin	43%	40%		
EBIT	**33**	**21**	**12**	**55%**
EBIT Margin	23%	17%		
EBT	**26**	**16**	**10**	**64%**
EBT Margin	18%	13%		
Tax for the year	(7)	(4)	(4)	96%
Profit	**19**	**12**	**7**	**54%**
Profit/VoP	13%	10%		

As at 31 December 2024, revenues for the period amounted to Euro 145 million, up (+16%) on the previous year.
EBITDA reached Euro 62.9 million in 2024, a significant increase of 26% compared to the previous year. This improvement was achieved thanks to the company's strategy of efficient management of operating costs, which freed up resources to allocate to infrastructure investments.
There was a slight decrease in active gas redelivery points and an increase in electricity delivery points (PODs).





In 2024, total investments amounted to Euro 67.5 million. These investments were mainly focused on maintaining operational capacity, improving the resilience and efficiency of existing infrastructure, and supporting the energy transition.

Below is a detailed analysis of the main areas of investment:

Electricity distribution (Euro 33.3 million)

Investments in electricity infrastructure included:

Medium and low voltage network:

- Continuation of the maintenance and renewal plan for secondary substations, with particular emphasis on the extension of the remote control system;
- Scheduled replacement of critical plant components (transformers, medium-voltage panels, and low-voltage circuit breakers);
- Progress of the overhead line undergrounding project using underground cables;
- Expansion of the medium-voltage network infrastructure.

High-voltage infrastructure:

- Refurbishment and upgrade of primary substations;
- Continuation of preparatory work for the new Marangona Primary Substation, despite delays caused by the discovery of Second World War ordnance.

Gas distribution (Euro 18.6 million)

Initiatives in the gas sector included:

- Continuation of the project to replace old pipelines in the Golosine, Golino, and Montorio areas, including the reconstruction of the related connections;
- Implementation of development, modernisation, and balancing measures for the networks, including loop closures, extensions, and upgrades;
- Improvement of safety through the scheduled replacement of user connections and strengthening of cathodic protection;

- Adoption and implementation of the Picarro Advanced Leak Detection system, an advanced technology for gas monitoring that enables more precise identification and fixing of leaks, improving service quality and the integrity of the distribution network.

Metering (Euro 8.6 million)

- Investments in the gas metering sector: Euro 2.3 million;
- Investments in electricity metering: Euro 6.3 million;
- Replacement of traditional meters with new-generation smart meters, with remote control capability, to increase the resilience of the network and achieve energy savings;
- The number of smart meters managed reached 297,050 units, representing 92% of the total meter stock managed by the company.

Digitisation and Technological Modernisation

In 2024, the Business Unit also:

- Continued the work on the fibre-optic connection to the remote-control network for the secondary substations and strategic distribution centres;
- Launched connection projects for additional sites in both Verona and Vicenza;
- Implemented a new advanced software for electricity network management (ADMS), replacing previous outdated systems and improving operational efficiency and network management.

Market Business Unit

The Market Business Unit, which is the main commercial division for the sale of natural gas, electricity and district heating, manages around 893,000 active supply points and has a presence throughout Italy, serving household, business, institutional and public administration customers, and wholesalers. The Group's Market segment is characterised by a strong customer focus and a commitment to supplying high value-added services.

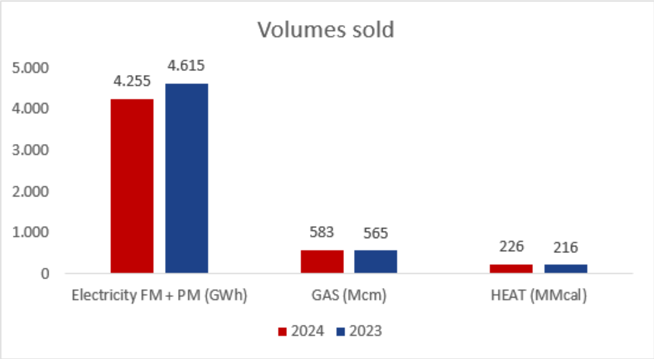
The electricity segment saw a reduction in sales volumes to 4.3 TWh in 2024 (-8% compared to 2023) and 563,000 supply points, but recorded a net 6% increase in the customer base and an 8% increase in customers served in the free market.
There was a sharp increase in the volume of electricity sold and covered by guarantees of origin certifying its renewable source, up 78% on the previous year.

The gas sector recorded a slight increase in volumes sold compared to 2023 (+3%), closing 2024 with 583 million cubic metres sold and 326 thousand supply points (+1% compared to 2023).
In 2024, AGSM AIM Energia maintained its position as a leading operator for public administration customers, winning seven lots in the Natural Gas 16 Framework Agreement tender, specifically: Lot 1 (Valle d'Aosta, Piedmont, Liguria), Lot 2 (Province of Milan), Lot 3 (Lombardy except for the Province of Milan), Lot 6 (Tuscany, Umbria, Marche), Lot 8 (Abruzzo, Molise), Lot 10 (Apulia, Basilicata), and Lot 12 (Italy).

The sale of heat, within the district heating service provided in Verona and Vicenza, recorded higher sales volumes than in 2023 (+5%) with 226 million Mcal sold and 2,944 supply points at the end of 2024 (+0.2% on 2023).

After reaching their lowest point in the initial months of the year, the prices of gas and electricity commodities gradually and steadily increased, peaking in December.
Despite this, the average PUN (Single National Price) for 2024 was 13% lower than the previous year, with a similar trend for the PSV (Virtual Trading Point) natural gas price.
The decrease in value of production for 2024 (-9%) was mainly due to the decline in average market prices and lower electricity sales volumes.

The chart below shows the volumes sold to end customers excluding exchanges and wholesalers:



Income statement Euro/million	2024	2023	Change	% Change
Value of production	**1,670**	**1,829**	**(159)**	**-9%**
Costs of production	**(1,591)**	**(1,762)**	**171**	**-10%**
EBITDA	**79**	**67**	**12**	**18%**
EBITDA Margin	5%	2%		
EBIT	**66**	**50**	**17**	**33%**
EBIT Margin	4%	3%		
EBT	**67**	**43**	**25**	**58%**
EBT Margin	4%	2%		
Tax for the year	(20)	(13)	(7)	56%
Profit	**48**	**30**	**18**	**58%**
Profit/VoP	3%	2%		

There was a marked increase in EBITDA in 2024, up by 18% compared to the previous year, due not only to the expansion of the customer base but also to improved performance in the energy management area, with successful risk minimisation relating to price volatility and a significant reduction in purchase spreads.

In 2024, the structuring of the new commercial model continued, aimed at expanding geographical coverage by developing a reliable and highly professional sales network.
In the second half of the year, new products were introduced for the B2C segment, with simple tariff structures designed to ensure clarity and transparency for end customers.

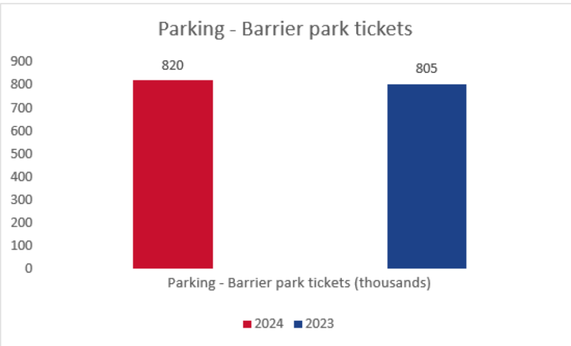
In 2024, the commercial collaboration relationship with important Associations and Consortia operating nationwide in the business, small business and domestic segment was further strengthened and intensified, confirming the goodness of the commercial proposals and the company's ability to compete in the market with important levels of service quality and offers that are absolutely transparent and competitive.
The unification of the former AGSM and former AIM customer bases was completed in early 2024, followed by a period of system stabilisation which ended in mid-2024.
In September, work began on the transformation of the application map, known as "Sunrise", which is expected to be completed in early 2026 and will provide the Market Business Unit with new tools to compete more effectively, enabling the structuring and marketing of new products and increasing its customer care.
Investments for the year amounted to Euro 8.9 million, driven by the Sunrise project, and accounted for 7% of the Group's general investments.

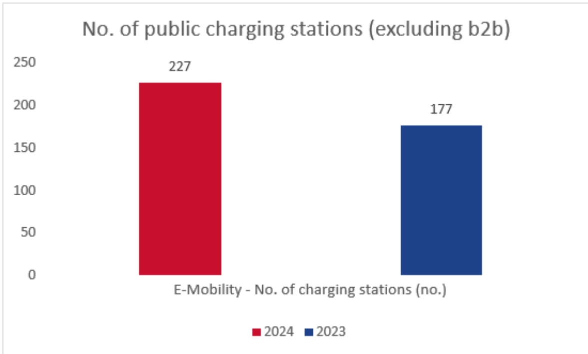
Smart Business Unit

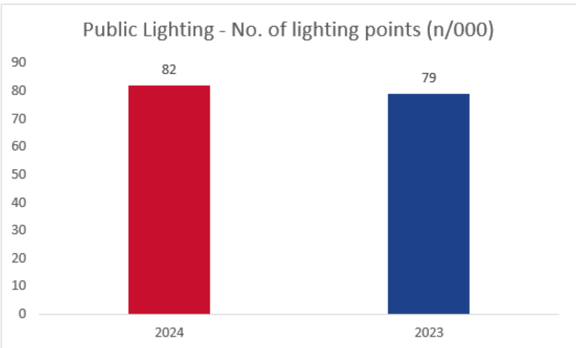
The Smart Business Unit operates in the areas of public lighting, telecommunications, parking, energy efficiency and e-mobility.

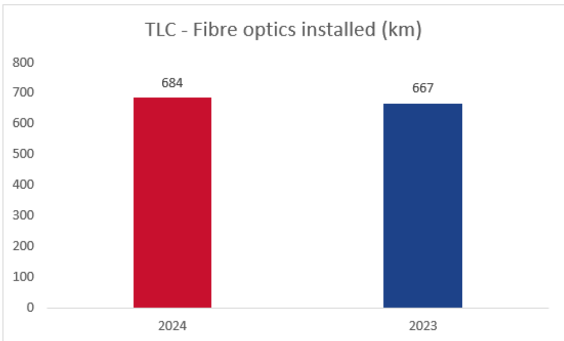
Income statement Euro/million	2024	2023	Change	% Change
Value of production	**20**	**20**	**-**	**-2%**
Costs of production	**(13)**	**(12)**	**(1)**	**5%**
EBITDA	**7**	**8**	**(1)**	**-14%**
EBITDA Margin	34%	38%		
EBIT	**2**	**3**	**(1)**	**-33%**
EBIT Margin	10%	14%		
EBT	**2**	**3**	**(1)**	**-26%**
EBT Margin	10%	13%		
Tax for the year	(1)	(1)	-	-20%
Profit	**1**	**2**	**(1)**	**-28%**
Profit/VoP	7%	10%		

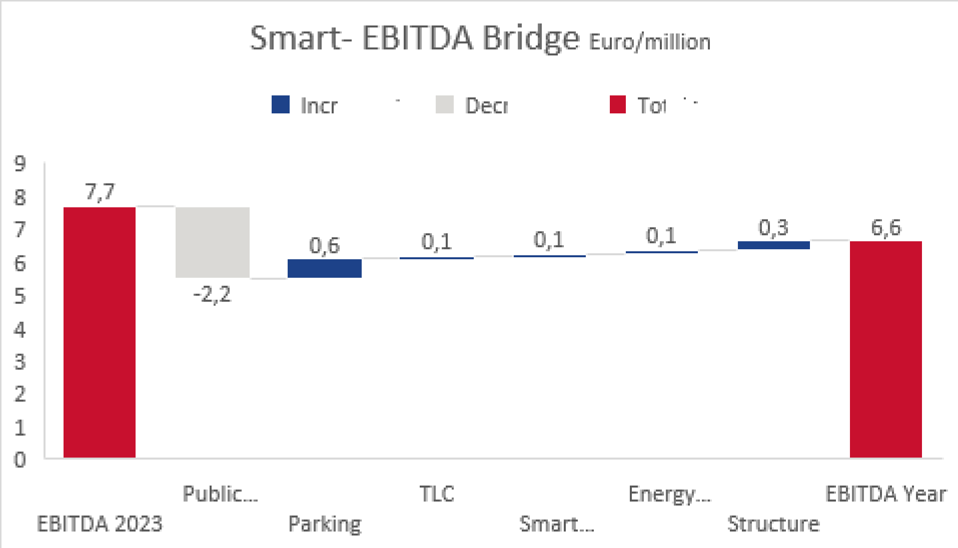
As at 31 December 2024, the financial statements recorded a profit of Euro 1 million, down on the previous year, after making amortisation, depreciation, accruals and impairments of Euro 4.7 million.
EBITDA amounted to Euro 6.6 million, equal to 32% of the value of production.
In 2024, particular significance was attached to the gradual decrease in the price of electricity, compared to the average PUN (Single National Price) values recorded in 2023. The value of the cost of energy had as a direct consequence the downward adjustment of the fees applied to the Granting Bodies, affecting the volume of revenue of the Public Lighting business line.











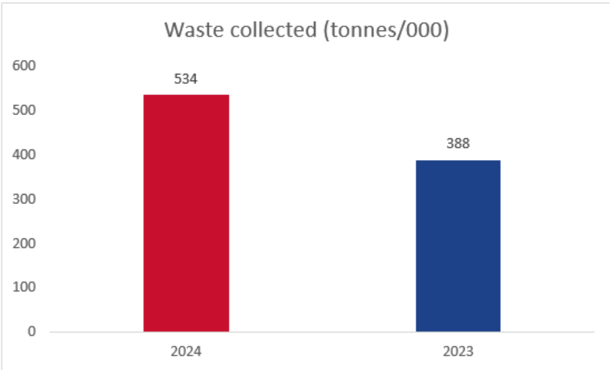
The company's overall earnings were affected by the fee adjustment mechanism for public lighting service designed to reflect the actual costs of electricity. As a result, the EBITDA generated by the Public Lighting division decreased by Euro 2.2 million compared to the previous year. This decrease was offset by improvements in the other business lines, especially the parking business line, which saw the launch of refurbishment and automation works for the majority of the facilities managed. In the e-mobility electricity, the main highlights were the repricing of public charging services for electric vehicles and the extension of the charging stations in the Triveneto area.
Investments for the year amounted to Euro 4.3 million and accounted for 3% of the Group's general investments.

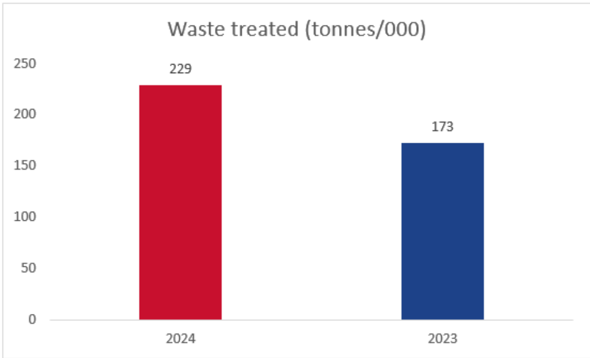
Environment Business Unit

In 2024, the Environment Business Unit was subject to several reorganisation processes, the most significant of which was the merger by incorporation of Transeco and DRV into AGSM AIM Ambiente, effective from 1 January 2025. There were also other changes in the company structures, most notably the transfer of SIT to AGSM AIM Ambiente. The company EcoTirana experienced significant growth, extending its service across the entire municipal area – almost 900,000 residents – during 2024. At the end of 2024, an amicable agreement was reached to settle the dispute with the RTI Ladurner-Calabra Maceri consortium, the constructors of the Ca' del Bue Biodigestion Plant, which came under the management of the AGSM AIM Group on 15 January 2025.
The figures for the Business Unit exceeded expectations, primarily due to the increase in EcoTirana's EBITDA. Further growth will only be possible after the development of the new plants, which are currently being authorised.
Looking forward, the Business Unit is aware that current legislation will, sooner or later, require SERIT and Valore Ambiente to leave the Group, most likely to become "in-house" companies. At present, the process of SERIT's exit appears to be further advanced, with Bacino Verona Nord planning to complete the transition to in-house by the end of 2025. The role of Environment BU is to develop environmental systems at the service of these companies, as well as of the local water companies for the treatment of various waste flows.

Income statement Euro/million	2024	2023	Change	% Change
Value of production	**126**	**96**	**30**	**32%**
Costs of production	**(116)**	**(86)**	**(29)**	**34%**
EBITDA	**11**	**10**	**1**	**10%**
EBITDA Margin	8%	10%		
EBIT	**2**	**2**	**-**	**13%**
EBIT Margin	2%	2%		
EBT	**4**	**2**	**3**	**143%**
EBT Margin	3%	2%		
Tax for the year	(1)	(1)	-	86%
Profit	**3**	**1**	**2**	**169%**
Profit from discontinued operations	-	1		
Profit including discontinued operations	**3**	**2**		
Profit/VoP	3%	2%		

As at 31 December 2024, revenue for the period amounted to Euro 126 million, a significant increase (+32%) compared to the previous year, mainly due to changes in the scope of operations managed by EcoTirana and the increase in fees for the other collection companies. EBITDA amounted to Euro 11 million, up (+10%) on the previous year.
The higher revenue was mainly for the management of the environmental health service for Valore Ambiente and Ecotirana, as well as higher revenue from taking waste to the SIA landfill in all cases following the waste pricing update as in the MTR2.
The investments for the year amounted to Euro 20.4 million, mainly for vehicles and equipment for the collection and sweeping service and for the Biomethane contract, which amounted to Euro 5.1 million.





1.9 Summary of the Parent Company's income statement and balance sheet figures

The financial statements of AGSM AIM Spa have been prepared in accordance with the International Financial Reporting Standards in force at 31 December 2024. The following table shows the main income statement results achieved in 2024.

INCOME STATEMENT	2024	%	2023	%
Revenue	**61,555**	**100%**	**64,151**	**100%**
Revenue from sales and services	58,983	96%	59,826	93%
Other revenue	2,572	4%	4,325	7%
Operating costs	**50,688**	**82%**	**48,565**	**76%**
Raw materials and consumables	2,644	4%	2,665	4%
Services	42,919	70%	40,874	64%
Leases and rentals	2,308	4%	2,629	4%
Other operating costs	2,817	5%	2,397	4%
Added value	**10,867**	**18%**	**15,586**	**24%**
Personnel costs	20,462	33%	18,937	30%
EBITDA	**(9,595)**	**16%**	**(3,351)**	**5%**
Amortisation, depreciation, and provisions	**12,892**	**21%**	**12,427**	**19%**
Amortisation and depreciation	12,182	20%	12,095	19%
Other provisions	710	1%	332	1%
Net operating income	**(22,487)**	**37%**	**(15,778)**	**25%**
Financial position	**46,163**	**75%**	**54,743**	**85%**
Income from equity investments	53,458	87%	64,083	100%
Financial income	8,941	15%	21,382	33%
Financial expenses	(16,236)	26%	(30,982)	48%
Adjustments to financial assets	-	0%	260	0%
Pre-tax profit (loss)	**23,676**	**38%**	**38,965**	**61%**
Income taxes	(6,582)	11%	(4,316)	7%
Profit (loss) from operations	**30,257**	**49%**	**43,282**	**67%**
Profit (loss) from discontinued operations, net of tax effects	-	0%	1,255	2%
Profit (loss) for the year	**30,257**	**49%**	**44,537**	**69%**

- **Revenue** amounted to Euro 61,555 thousand, down by Euro 2,596 thousand compared to 31 December 2023;
- **added value**, i.e. the difference between revenue and external costs, amounted to Euro 10,867 thousand, down by Euro 4,719 thousand on the previous year;
- the **value of amortisation and depreciation** amounted to Euro 12,182 thousand in line with the value in the previous year;
- **income from equity investments** amounted to Euro 53,458 thousand, compared to Euro 64,083 thousand in the previous year;
- **net financial charges** amounted to Euro 7,295 thousand compared to Euro 9,600 thousand in 2023;
- **net profit** amounted to Euro 30,257 thousand compared to Euro 44,537 thousand in the previous year.

In 2024, net operating income amounted to Euro (22,487) thousand and was down on the figure for 2023.
The result in terms of net operating income is offset by income from equity investments for an amount of Euro 53,458 thousand, which refers to the 2023 results of the subsidiaries.
The tax benefit amounted to Euro 6,582 thousand (an increase of Euro 2,265 thousand compared to 2023) and was mainly composed of income from tax consolidation.
AGSM AIM Spa's 2024 net profit amounted to Euro 30,257 thousand, down by Euro 14,280 thousand compared to 2023.

The financial position of AGM AIM Spa can be summarised as follows in terms of changes in invested capital and sources of financing:

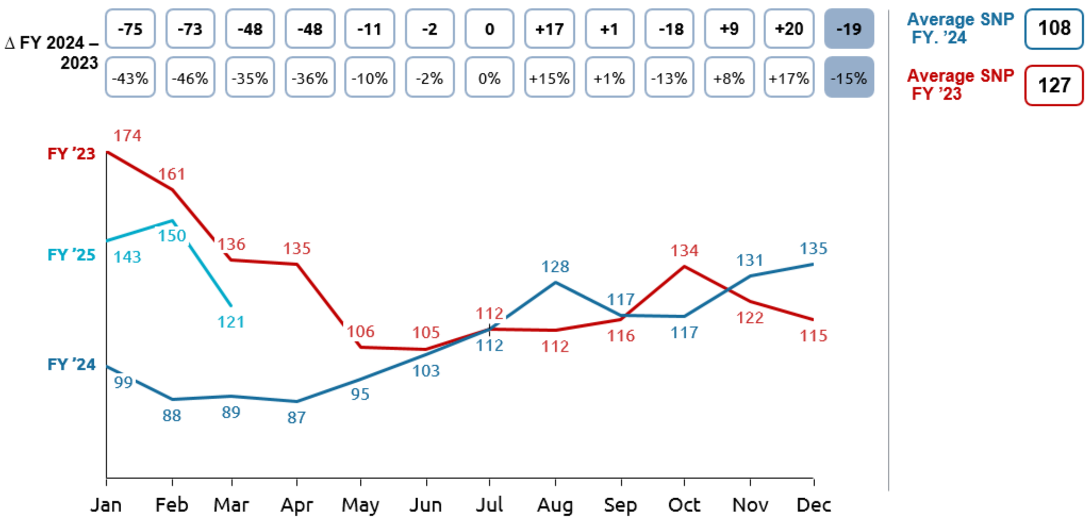
	2024	%	2023	%
INVESTED CAPITAL				
Net non-current assets				
Intangible assets	77,837		81,742	
Property, plant and equipment	92,212		84,125	
Goodwill	-		-	
Equity investments and other non-current financial assets	671,707		673,138	
Deferred tax assets/liabilities	3,698		3,842	
Employee benefits	(5,801)		(6,947)	
Provision for risks and charges	(8,505)		(7,316)	
Other non-current assets/liabilities	(8,591)		(10,624)	
Total net non-current assets	**822,557**	**99%**	**817,960**	**96%**
Net operating capital				
Short-term assets				
Inventories	548		603	
Trade receivables	26,520		39,414	
Other current assets	42,153		64,563	
Total short-term assets	**69,221**		**104,580**	
Short-term liabilities				
Trade payables	(26,872)		(20,040)	
Other current liabilities	(37,377)		(54,450)	
Total short-term liabilities	**(64,248)**		**(74,491)**	
Total net operating capital	**4,973**	**1%**	**30,089**	**4%**
TOTAL INVESTED CAPITAL	**827,530**	**100%**	**848,049**	**100%**
SOURCES OF HEDGING				
Equity				
Share capital	(95,588)		(95,588)	
Legal reserve	(18,574)		(16,348)	
Other reserves	(446,346)		(431,149)	
Profit (loss) for the year	(30,257)		(44,537)	
Total Equity	**(590,766)**	**71%**	**(587,622)**	**69%**
Net Financial Position				
Short-term net financial position	(72,932)		(108,010)	
Medium/long-term net financial position	(163,832)		(152,417)	
Total net financial position	**(236,764)**	**29%**	**(260,427)**	**31%**
TOTAL SOURCES	**(827,530)**	**100%**	**(848,049)**	**100%**

1.10 Significant events after the reporting period

Energy product prices and the continuing uncertainty related to the Russia-Ukraine war

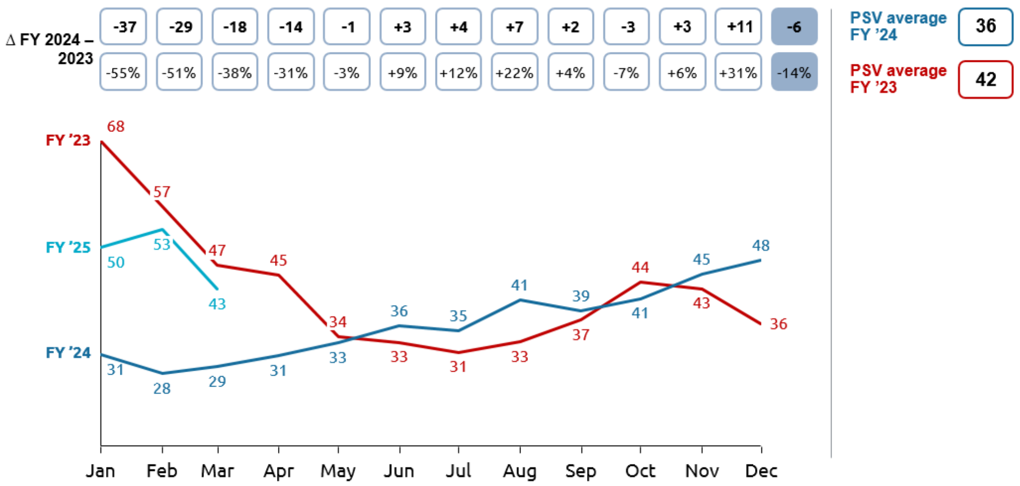
The chart below shows the movements in the PUN – Single National Price – in the initial months of 2025, which is an intermediate position: lower than in the first quarter of 2023, but significantly higher than in the first quarter of 2024. It also highlights the sharp volatility in electricity prices. This performance is likely to benefit the Power Business Unit, and specifically the production from renewable energy sources.

Single National Price Movement: FY 2024 vs. FY 2023 [Euro/MWh; %] and first quarter 2025



The same situation applies to gas prices on international markets; the chart below shows the PSV (Virtual Trading Point) from January 2023 to 31 March 2025.

PSV (Virtual Trading Point) Index Movement: FY 2024 vs. FY 2023 [Euro/MWh; %] and first quarter 2025



1.11 Mandatory information pursuant to Article 2428 of the Italian Civil Code

Related-party transactions and operating performance of the Parent Company (Article 2428, paragraph 3, point 2)

The controlling entities are the Municipality of Verona and the Municipality of Vicenza which, at 31 December 2024, held the total shares for a value of 61.2% and 38.8% of the share capital, respectively.
The Group exercised the exemption granted in paragraph 25 of IAS 24. Therefore, it does not have to make the disclosures listed in paragraph 18 of IAS 24 in regard to related party transactions and outstanding balances, including commitments to the City of Vicenza and its subsidiaries.
The transactions carried out with shareholders during the year were insignificant in value. In this regard, it is specified that:

- The payables to the Municipalities refer mainly to dividends approved and not yet paid and sundry concession fees.
- Trade receivables due from the Municipalities refer to services provided by the companies belonging to the various Business Units. The most significant values relate to urban health services, public lighting and energy supplies.

Management and coordination activity

The Group is headed by the holding company AGSM AIM S.p.A., which carries out the main management and coordination activity for the leading Group companies.
Taking into account the description given in the previous paragraph, in 2024 AGSM AIM S.p.A. carried out management and coordination activities, pursuant to Articles 2497 et seq. of the Italian Civil Code, for all the following Group companies:

- AGSM AIM ENERGIA SpA, 96.27% owned
- V-RETI SpA, 99.83% owned
- AGSM AIM SMART SOLUTIONS Srl, 100% owned
- AGSM AIM CALORE Srl, 100% owned
- AGSM AIM POWER Srl, 100% owned
- AGSM AIM Ambiente Srl, 100% owned
- Valore Ambiente Srl, 100% owned
- AGSM HOLDING ALBANIA Sha, 75% directly owned and 25% indirectly
- ECO TIRANA Sha, 49% directly owned
- CogasPiù Energie Srl, 60% indirectly owned
- Agisco Srl, 51% indirectly owned
- Consorzio Industriale Canale G. Camuzzoni di Verona Scarl, 75% indirectly owned
- Parco Eolico Carpinaccio Srl, 63% indirectly owned
- Parco Eolico Riparbella Srl, 63% indirectly owned
- Juwi Development 02 Srl, 100% indirectly owned
- Juwi Development 08 Srl, 100% indirectly owned
- Bortoli Total Green Srl, 100% indirectly owned
- TRANSECO Srl, 100% indirectly owned (merged into AGSM AIM AMBIENTE on 1 January 2025)
- SERIT Srl, 99.74% indirectly owned
- DRV Srl, 100% indirectly owned (merged into AGSM AIM AMBIENTE on 1 January 2025)
- Società Igiene Territorio Spa, 100% indirectly owned
- Società Intercomunale Ambiente Srl, 49% indirectly owned

The management and coordination activity of the Parent Company has effect mainly through the appointment of the Sole Director or the Boards of Directors. AGSM AIM SpA., through its own structures, provides the subsidiaries with support for the proper performance of their management and administrative activities. These circumstances, together with the application of economic conditions established through the application of the so-called cost-plus method, mean that the relationship between each individual Company, the Parent Company and the other subsidiaries is focused on fairness and transparency, compliance with group policies and the search for efficiency and cost-effectiveness. As a result of the management and coordination activity of each Company, management is carried out within an economic and financial budget shared by the Parent Company and in accordance with operational planning and control tools at Group level. The parent company AGSM AIM SpA, within the scope of the law and the provisions of the Articles of Association, also provides support to the company's business through financial support and coordination activities. The management and coordination activity by the Parent Company is carried out in compliance with the decision-making, management and organisational autonomy of the Independent Manager, V-Reti S.p.A., which carries out its own assessments on the issues raised.

1.12 Treasury shares or shares or quotas of parent companies (Article 2428, paragraph 3, point 3-4)

The holding company AGSM AIM Spa does not hold any treasury shares or shares or quotas of the parent company entities.

1.13 Outlook (Article 2428, paragraph 3, point 6)

The outlook for the individual business units in 2025 can be summarised as follows:

Networks BU

Remote Monitoring

From an IT security perspective, V-RETI S.p.A. is continuing the implementation of the "Cybersecurity" project, both by updating certain internal operational procedures and by installing protection systems at primary sites.

Natural gas distribution

The deadlines for publishing tenders for gas distribution in the areas where V-Reti is present have, for the most part, expired without any outcome.

Natural gas metering: smart meters and remote management

The mass replacement of gas meters in Vicenza and the surrounding municipalities will be completed in 2025. The network in Goito will also see the replacement of meters with the installation of smart meters.
The maintenance work will continue for the replacement of batteries in large-calibre meter
volume converters (above G10), together with the implementation of the meter replacement plan in accordance with Ministerial Decree 93, which places the responsibility on the distributor for monitoring the metrological expiry and ensuring the verification and, where necessary, the replacement of the metering devices.

Distribution of electricity

For 2025 and the years ahead, the following initiatives are planned:

- Primary HV, HV/MV and MV/MV plants,
- Continuation of the work for the construction of the new primary substation (PS) known as "Marangona".
- Commencement of the preliminary design work for new PSs for the implementation of new parking spaces and 132/20 kV sections.
- Completion of the renewal works at the primary substation "Pace 2".
- Modernisation of satellite centres and revamping of high-voltage equipment at primary installations.
- Replacement of HV/MV transformers at the end of their useful life.
- Replacement of current 10 kV busbars at the Campo Marzo PS with a new "Blindato" medium-voltage switchboard.
- Construction of a new 20 kV section at the Campo Marzo PS.
- Extraordinary maintenance of the "Hybrid Module" high-voltage SF6 (circuit breaker, line and busbar disconnectors, bypass) by ABB at the Pace 2 PS and the 10 kV GM6 SF6 medium-voltage switchboard by Schneider at the Fusinieri Primary Substation.
- Replacement of distance protection devices on outgoing 132 kV high-voltage line parking stations.
- Project funded by Terna for the replacement of old high-voltage line disconnectors with new high-voltage line disconnectors equipped with interlocks (DBS).
- Replacement of medium-voltage line protection devices at the Pasubio PS.
- Purchase, installation, and commissioning of mini containers with medium-voltage switchgear for "temporary extension" of MV busbars at primary substations to be located at Ric. Sud, Ric.Ovest, and Tombetta Station.
- Purchase, installation, and commissioning of Petersen Coil Systems to be installed at the Verona Est PS.
- Decommissioning of the 50 kV section at the Fusinieri PS plant and the 50/10 kV transformation units at the Pasubio plant.
- Other
  - Extensions of the 20 Kv medium-voltage network.
  - Other extension, upgrading, and revamping work on the low- and medium-voltage network and secondary substations.
  - Programme for large-scale voltage conversion from three-phase 230 V to three-phase 400 V systems.
  - Replacement of medium/low-voltage transformers containing PCBs in secondary substations.

All of the above initiatives are aimed at increasing service reliability and meeting the future energy needs of areas of the city that are expanding, developing, or undergoing redevelopment.

Market BU

In 2025, the Business Unit will continue along the path begun and mapped out in 2024, maintaining its primary objective of overhauling the application map and continuing the implementation work already underway. The ongoing digital transformation, which is expected to be completed by early 2026, will equip the Company with new tools to compete in the market, enabling the structuring and marketing of new products and maximising customer loyalty.
During 2025, there will also be a gradual implementation of the new commercial model, aimed at increasing local coverage to address rising competitive pressures and contain the churn rate.
In light of the changed market scenario and the foreseeable future developments, the following lines of action have been identified for 2025:

- review of the commercial model, with expansion of the sales network and increased physical presence in the traditionally served area;
- organic expansion with growth of the customer base through commercial campaigns entrusted to direct and indirect sales networks;
- opening new sales channels with exploration to integrate the current ones;
- integration of the product portfolio with new value-added services (VAS);
- continuous market scouting activities to identify opportunities for acquisition of company branches or shares or quotas of small/medium-sized companies operating in the sectors of energy marketing, energy efficiency and non-commodity products;
- continuation of the process of digital transformation to improve processes and offer new services to customers;
- redesign of the organisational model, transitioning from the current traditional structure to a "cell-based" model, to improve the customer experience and service quality.

Smart BU

During the year, the Smart BU continued the process of consolidation and start-up of the new innovative business lines which will be fully deployed in 2025. In particular, during 2025, a positive EBITDA is expected for the business lines related to electric mobility and energy efficiency. With regard to the Public Lighting business, it is expected that, during 2025, new formulas for the adjustment of fees will be agreed with the Granting Bodies, due to the disappearance of the reference indicator for changes in the cost of electricity. The focus will also be on consolidating the traditional businesses by enhancing the BU's commercial presence and assessing M&A transactions.

Power and Heat BU

In 2025, renewable energy capacity is expected to increase by a further 5.66 MW, with the grid connection and/or acquisition of the Carlino plant (Udine – Juwi Development 08 S.r.l.), the Augusta plant (Syracuse – AGSM AIM S.p.A.), Castelnovo Bariano plant (Rovigo – AGSM AIM S.p.A.) and the Casale di Scodosia plant (Padua – Bortoli Total Green S.r.l.). The Marghera Hydrogen Project (Green Hydrogen Venezia S.r.l.) will also enter its execution phase in 2025. This project involves the construction of a green hydrogen production plant using electrolysis, to supply around 90 buses owned by AVM (Azienda Veneziana della Mobilità). The installed capacity will be 8 MW, covering a peak production of 2,000 kg/day.

Environment BU

The corporate reorganisation within the AGSM AIM Group continued in 2024, aimed at consolidating the Environment BU and rationalising the companies operating in the environment sector. The current legislation will not allow the renewal of waste collection concessions, therefore, as already implemented for the company AMIA S.p.A., Ser.it S.r.l. and Valore Ambiente S.r.l. are also destined in the short term to leave the Group to probably become "in-house" companies. The role of Environment BU is to develop environmental systems at the service of these companies.

1.13 Main risks and uncertainties to which the Group is exposed (Article 2428, paragraph 2, point 6 bis)

Due to the nature of its core business and its operating environment, the AGSM AIM Group is exposed to various types of risk, including, but not limited to, operational, environmental, and financial risks. To address these risks, the Group has adopted an integrated corporate risk management model, based on market best practices and leading international standards. The model follows the guidelines of the Enterprise Risk Management (ERM) – Integrated Framework developed by the C.o.S.O. (Committee of Sponsoring Organizations of the Treadway Commission) and also incorporates sustainability aspects (covering the ESG – Environmental, Social & Governance dimensions), as envisaged by the World Business Council for Sustainable Development (WBCSD) guidelines "Applying ERM to ESG-related Risks". Additionally, during the course of 2024, the model was progressively updated to comply with the regulations introduced by Directive 2022/2464 of the European Union on corporate sustainability reporting (CSRD – Corporate Sustainability Reporting Directive).

The AGSM AIM Group's ERM model is developed and managed by the Risk Management Function, which coordinates the entire risk management process of identification, assessment, management, mitigation, monitoring, and communication of enterprise risks. The Enterprise Risk Management process and, in particular, the risk assessments adopted, are based on the international standard ISO 31000:2018 – Risk Management Guideline.
The model is subject to regular reviews, in line with the evolution of the Group and its operating environment. This process is supported by benchmarking initiatives and the planning and conduct of meetings and workshops with the Heads of Division and various internal stakeholders (or risk owners), who are responsible for defining and managing the operational activities relating to the management of risk events.
The ERM process also contributes to obtaining and maintaining the certifications held by the Group's various subsidiaries (e.g. ISO 9001:2015 – Quality Management System, ISO 14001:2015 – Environmental Management System, ISO 45001:2018 – Occupational Health and Safety Management System).
The main risks and uncertainties to which the AGSM AIM Group is exposed, together with the related control measures, are described in detail below.

Risks and uncertainties arising from the reference context in which the Group operates

The year 2024 was marked by a further slowdown in the Italian economy, with GDP growth stalling at just +0.7 %, a further drop from the already modest +0.9 % recorded in 2023. This slowdown reflected a complex economic situation, in which net foreign demand strongly supported the performance of the Italian economy, while domestic demand made only a very small contribution.
One of the few positives was the trend in inflation. At the end of 2024, the inflation rate stabilised at 1.3%, a sharp decrease compared to 5.7% the previous year, mainly due to a generalised fall in prices and the moderation of inflationary pressures. The reduction of interest rates by the European Central Bank, with a decrease of 100 basis points over the course of 2024, was a response to the gradual decline in inflation at European level. Despite the reduction in rates, however, there are still strong internal price pressures, largely driven by increasing wages across Europe, which continue to put upward pressure on inflation.
Industrial production fell significantly, down by 3.5% compared to the previous year. Key sectors such as transport equipment manufacturing and clothing experienced heavy declines, reflecting the structural challenges affecting some segments of Italian manufacturing. Export performance was negative, highlighting the difficulties in competing in foreign markets, where even the recognised quality of Italian goods is no longer sufficient to counter weak demand.
Another negative factor in the year was the deterioration of confidence among Italian households and businesses. Data from ISTAT (Italian National Institute of Statistics) and the Bank of Italy show a progressive weakening of expectations: businesses in particular appear to be struggling to plan investments and growth strategies.
In summary, 2024 confirmed the structural difficulties of the Italian economy, with weak growth, inflation under control but with ongoing internal pressures, declining industrial production and growing apprehension among businesses.
The global economic environment in 2024 was characterised by a range of factors that continued to have a negative impact on the economy, hindering production and international trade and slowing growth in several sectors. Significant obstacles remain, related to persistently high interest rates, energy prices that are still above pre-pandemic levels, and serious geopolitical crises that continue to influence global trends. The war between Russia and Ukraine, now in its third year, and tensions in the Middle East – particularly the conflict between Israel and Hamas and the repercussions in Yemen – are causing significant instability in global markets, with direct consequences for international trade, the energy market and commodity prices.
At regional level, tensions have also spread to the Gulf of Aden, where the Houthi rebels from Yemen have stepped up attacks on merchant vessels in the Red Sea and the Gulf. The attacks, especially on Western ships, have led many shipping companies to alter routes, choosing to avoid the Red Sea for security reasons. As a result, some shipping routes have become impracticable, forcing vessels to divert via the Cape of Good Hope, with a consequent increase in travel times and transport costs. This has had a direct impact on commodity prices, with negative effects on the global economy and worsening the situation for international supply chains.
Relations between the United States and China have also had a significant impact on the global economy in 2024. Ongoing tensions between the two countries, fuelled by political and trade disagreements, continue to be a concern for the stability of global trade. In particular, disputes over Chinese overcapacity, security concerns linked to Chinese industrial support for Russia, and China's adoption of more protectionist policies towards US technology have exacerbated tensions between the two superpowers.
In addition to developments in the political and macroeconomic environment, environmental issues can also significantly threaten and influence people's well-being and the health of our planet. And 2024 was the hottest year on record since the start of regular temperature measurements, with the alarm threshold of 1.5°C rise in average global temperature above pre-industrial levels (1850–1900), established by the 2015 Paris Agreement, being breached for the first time. The previous record had just been set in 2023.
Also in 2024, significant increases in the levels of greenhouse gases in the atmosphere were recorded, along with a continuing increase in the frequency of extreme weather events around the planet, also in Italy (for example greater

damage from prolonged drought, particularly in Central and Southern Italy, Sicily and Sardinia; river flooding and flash floods due to intense rainfall, especially in Emilia-Romagna; etc.).
Within the context briefly outlined above and also in consideration of the recommendations issued by the financial market supervisory authorities (ESMA and CONSOB), the AGSM AIM Group continuously monitors the changes in the macroeconomic environment and the effects on the climate crisis, maintaining its commitment to Italy's process of energy transition and decarbonisation thanks to the investments made during the year and planned for the coming years, keeping economic indices, raw material prices and interest rates constantly monitored in order to reduce the negative impacts that may arise both on the performance of our Group and on the final consumers who benefit from our services.

Economic and social-environmental context risk

The AGSM AIM Group's activities are sensitive to economic cycles and general economic conditions in the country the Group operates in.
A slowdown in the economy, both globally and locally, could lead to a reduction in consumption, resulting in lower demand for electricity and gas and, consequently, adversely affecting operating results and growth prospects. In such a scenario, the implementation of planned development strategies could be hindered, slowing or complicating the roll-out of planned investments. Similarly, energy demand could be affected by global macroeconomic events such as recessions, inflation or financial crises, leading to uncertainty regarding the ability to attract the investments needed to maintain and innovate energy infrastructure.
The operations of sites and facilities, their profitability, the implementation of programmes for the adaptation or conversion of certain plants rather than for growth in certain business areas, planned by the Group, could be hampered by possible actions brought by some stakeholders that are not in favour of the presence of sites and facilities due to a negative perception of the Group’s activities in the areas served. In particular, local resistance reflected in the NIMBY (Not In My Back Yard) effect can hinder efforts to build new public infrastructure, such as wind and solar photovoltaic plants. Such opposition often leads to delays and cost overruns caused by litigation, boycotts, or demonstrations. Moreover, the emergence of NIMTO (Not In My Term of Office), prevalent among politicians and public administrators, reflects a reluctance to take decisions on critical infrastructure projects out of concern for potential political repercussions.
In particular, with regard to the Power, Heat, Environment, Networks and Market Business Units, it is worth pointing out the importance of the issue of managing relations with certain stakeholders relating to the management and maintenance of plant efficiency, the expansion and/or upgrade of existing plants, and the construction of new renewable energy production plants, such as the wind farm being built in Tuscany at Monte Giogo di Villore (FI). To monitor these issues, the Group engages in a constant dialogue with local communities and the relevant authorities, also by participating in public debates, special press conferences and communication and awareness campaigns. For new investment projects identified in its Business Plan, AGSM AIM Group arranges dedicated stakeholder engagement and early consultation initiatives to ensure that each undertaking is transparently communicated to the relevant parties, with the aim of fostering clarity and awareness among stakeholders such as local communities, public authority representatives, citizens’ groups and associations. The Group is committed to ensuring clear communication of all information, with the aim of gathering opinions and feedback, and promoting open, constructive dialogue enabling the consideration of a range of viewpoints before launching any new project.
The Environment and Smart Business Units, which manage public lighting as well as waste collection, street cleaning, and other key services for the environment, hygiene, and urban maintenance, also place strong emphasis on service quality, also with a view to ensuring the renewal of contracts in existing areas and success in securing tenders for these services in new locations. To secure and grow the market presence in these services, and consequently preserve and expand the business, specialised organisational structures have been set up to continually monitor opportunities and to manage tenders efficiently and effectively. Further information regarding the risks linked to managing AGSM AIM Group’s concessions portfolio can be found in the section "Risks related to tenders for the award of new gas distribution concessions".
The Group operates in the gas, energy, heating, and waste sectors and is consequently exposed to the risk of changes in the tariffs applied to end users. These tariffs, which are payable by consumers, are established and periodically updated by the competent authority, such as ARERA (Italian Regulatory Authority for Energy, Networks and Environment), and may be subject to change following reviews triggered by investigations by the authority, in relation, among other matters, to efficiency improvements and the actual delivery of investments planned by the organisations managing the related services. Although to date there have not been any significant reductions in the tariffs applied to certain types of services provided by the Group (such as parking, public lighting and waste disposal), as set out in contracts signed with the Municipalities of Vicenza and Verona and various other public bodies, it is not possible to rule out changes to applicable tariff levels in the future. Uncertainties regarding tariff determination, which may be adjusted upwards or downwards due to regulatory changes or amendments to contracts with the Municipalities, could therefore have an adverse impact on the Group’s financial position. The relevant departments of the Group continuously monitor tariff developments and promptly update both current and projected tariff revenue calculation systems and methods, identifying any critical issues in terms of business and financial planning over the short, medium, and long term.

Lastly, the Group’s operations could be adversely affected by the current instability in global credit markets. Difficulties in financial markets and the global economy, together with adverse market conditions, could result in increased volatility, diminished liquidity, widening credit spreads, and greater uncertainty in credit pricing. Fluctuations in the investment markets, including changes in interest rates, exchange rates and the returns on shares and investments, property and other financial instruments, could have an adverse impact on the Group’s financial performance. In general, a further deterioration in the overall economic conditions of the markets in which the Group operates could undermine its business prospects, reduce revenue, affect operating results and weaken its financial position. For more information on the control measures implemented by the Group, see the section on "Liquidity risk".

Strategic risks

Strategic risk is defined as the current or future risk of a reduction in expected earnings, financial, and equity performance due to changes in the operating environment, incorrect corporate decisions and/or decisions inconsistent with the evolving macroeconomic and market landscape, late or inadequate execution of decisions, or insufficient responsiveness to changes in the operating environment and competitive pressure. Strategic risk therefore arises if the Group is unable to achieve its planned objectives as a result of market developments and the performance of its businesses.
The AGSM AIM Group has a Business Plan, which is regularly updated and establishes the strategic guidelines and industrial objectives that were used to determine a set of economic, equity and financial benchmarks, arranged also in compliance with the ESG aspects, capable of ensuring the achievement of long-term sustainable success for both shareholders and other stakeholders.
These objectives typically concern internal organic growth, duly supported by external expansion (through mergers and acquisitions), and more specifically relate to projects involving:

- improving the efficiency of the Group organisation and processes;
- development and investment in regulated and quasi-regulated sectors, to make our infrastructure and distribution networks more resilient and capable of adapting to market developments (e.g. increased electrification of consumption, blending, etc.);
- expansion of the customer base for the sale of commodities and related services;
- new investment initiatives for energy transition, innovation, and decarbonisation (increased share of energy production from renewable sources, expanded range of value-added services for customers, such as charging points, energy efficiency and building retrofits, public lighting, etc.);
- consolidation of regulated sectors (renewal of concessions for gas and electricity distribution and hydroelectric concessions, district heating services, etc.);
- circular economy, in terms of strengthening and optimising waste treatment plants and initiating recycling.

The Group’s business development plans include investment, acquisitions, and selected disposals as part of a strategy to streamline the overall portfolio and align consistently with the competitive environment. This strategy is fundamental to maintaining the Group’s competitiveness in the energy sector, which is characterised by rapid technological change and ongoing regulatory developments. The Group is committed to creating value for all stakeholders and contributing to the energy transition by exploring a variety of technological solutions and new business models. The aim is to achieve sustainable success that not only supports economic growth but also promotes environmental sustainability, in line with global targets for reducing carbon emissions.
With regard to the strategy of growth through acquisitions, this depends on the availability of opportunities in the market that enable the Group to develop its business and create value. The Group must be able to swiftly recognise these opportunities and, once identified, ensure that acquired assets are effectively integrated into the operations of the various Business Units, securing operational and financial synergies. The evaluation of external growth prospects is coordinated by the central Business Development function, which provides support to the Business Units with regard to mergers & acquisitions.
A failure to implement the CapEx Plan, set out in the Business Plan, may occur due to unforeseen events arising from various factors that could impact the organisational, operational, or financial environment in which the Group operates. Such events could compromise the success and profitability of new investment initiatives. The risks are primarily related to the inability to accurately predict the economic variables of the projects undertaken, with consequent financial, capital, and reputational losses. For example, Group companies may have to bear costs higher than initially foreseen for the construction of new plants. This could be due to factors such as rising commodity prices, unexpected construction delays, or difficulties obtaining the necessary permits. In such situations, the Group may face not only significant financial losses but also penalties from the relevant authorities for failure to comply with required standards.
The company functions responsible for the management of strategic planning and management control activities therefore periodically update their forecasts and monitor business performance, constantly verifying and evaluating any differences between the final results recorded and those scheduled, promptly activating the appropriate corrective actions.

Liquidity risk

Liquidity risk refers to the possibility that an organisation, despite being solvent, is not able to meet its payment commitments or obtain financial resources or in any case can only do so under unfavourable conditions (with respect to those generally applied in the market).
The two main factors that determine the Group's liquidity are, on the one hand, the resources generated and/or used by its operating activities (e.g. electricity and gas trading) and investment activities (e.g. for the construction of new plants and the maintenance and/or revamping of existing plants) and, on the other, the maturity and renewal dates of the financial debt. For the management of liquidity risk, the Group has adopted a series of policies and processes designed to streamline the management of financial resources, resulting in reduced liquidity risk, and ensuring:

- centralised management of cash flows (cash pooling);
- maintenance of an adequate level of available liquidity;
- funding of capital expenditure through long-term debt and current operations through short-term debt;
- monitoring of prospective liquidity conditions, in relation to the business planning process.

The AGSM AIM Group's objective is to maintain a financial structure which – in line with its business objectives and the limits sets by the Board of Directors – ensures a level of liquidity sufficient to meet short- and medium-term financial needs, while balancing the duration and composition of the debt and considering the targets set in the Business Plan.
Following an approach aimed at prudence in the management and mitigation of liquidity risk, also coordinated with the closely related dynamics of interest rate risk, the Finance & Control Department ensures that the Group has adequate financial availability through the appropriate balance between short and medium-long term sources of financing, at a fixed and variable rate, differentiated by the underlying operating activities and/or investment commitments provided for in the strategic development plan adopted by the Group.
During the course of their activities, the companies, under the coordination of the Parent Company, may enter into loan agreements. Any new debt the Group may incur could include covenants that could limit the organisation's ability to: undertake certain investments or capital expenditures; incur additional debt or provide guarantees, including those to refinance existing debt; sell, transfer, or dispose of assets; merge or consolidate with other companies; make significant changes to the Group's business; distribute dividends, make other restricted distributions or payments; and enter into transactions with affiliated companies. The documentation relating to future financing transactions may contain financial covenants that, if breached, could trigger a default event, as well as further provisions (such as representations, undertakings, early repayment obligations, trigger events, etc.). In addition, the Group's ability to comply with these covenants may be affected by external factors, such as trends in the economy, finance, and its operating sectors. If covenants are not met, other than in cases of prior modifications or waivers, this could result in default towards lending institutions.
The Finance and Treasury Department, with the support of the Business Development department, constantly monitors compliance with covenants to guarantee the Group's financial stability. For further information on compliance with the covenants to which the Group is subject, see paragraph 2.16, "Non-current financial liabilities", of these Consolidated Financial Statements.

Interest rate risk

Interest rate risk relates to short, medium and long-term financing activities that are affected by the decisions made by the banking supervisory authority as part of the definition and periodic revision of the key interest rates carried out by the European Central Bank, and by the performance of the financial market and the spread applied to their customers by credit institutions.
The AGSM AIM Group is subject to interest rate risk arising from its financial debt, which varies based on whether the debt is at fixed or variable rates.
Based on a prudent approach to the management of interest rate risk and in compliance with a predetermined level of balance between fixed and variable rate financing sources, the Group has implemented a centralised treasury management system through cash pooling that allows it to have adequate credit lines to finance the activities of its subsidiaries with contractually predetermined spread conditions on interbank rates. In addition, part of the risk relating to interest rate fluctuations has been reduced by entering into hedging agreements (derivative financial instruments) and by taking out short- and medium/long-term fixed-rate credit lines.
In managing interest rate risk, the Group aims to ensure borrowing costs are contained in relation to planned medium- and long-term investments and short-term cash requirements. Where possible, planned investments are generally financed through dedicated medium- to long-term credit lines or via bond issuances.
In general, the Group's financial management strategy adopts a prudent approach, avoiding daily trading on markets, favouring a traditional approach to operational treasury management, and implementing ongoing monitoring of the financial position and the overall level of debt, which may fluctuate based on specific needs, all in compliance with any existing covenants.

Credit and counterparty risk

Credit risk refers to the possibility that a party involved in a commercial agreement fails to meet its obligations, defaulting on the terms and deadlines established in the agreement. For the AGSM AIM Group, the credit risk is the exposure to potential losses deriving from the failure of counterparties to fulfil the obligations they have assumed.

Counterparty risk represents the Group's exposure to potential losses resulting from a commercial or financial counterparty's failure to fulfil its obligations. This risk may arise from various factors, including economic and financial issues (for example, difficulties a counterparty may face in honouring its commitments) as well as technical, commercial, or administrative/legal factors, such as disputes over the type and quantity of goods and/or services supplied, differing interpretations of contractual provisions, and invoice-related issues. Although the Group is exposed to this risk across all areas of activity, the main exposure arises from the sale of electricity and gas in the free market. Counterparty risk also exists in regulated activities, such as energy distribution and waste management, but it is mitigated by compensation mechanisms typical of the regulated sectors concerned. A significant default could adversely affect the Group's operations, revenue, and financial position.

The AGSM AIM Group does not have any significant concentrations of credit risk, since this risk is mitigated by the fact that credit exposure is spread over a particularly wide range of customers. The financial assets referring to trade receivables are recognised on the statement of financial position net of the allowance for doubtful accounts calculated on the basis of the risk of counterparty default, which is determined in turn by considering available information on the solvency of the customer and considering historic and outlook data. Individually significant transactions, for which there is objective evidence of partial or total impossibility of recovery, are written down on an individual basis.

Credit risk in the energy sector is closely linked to volatility in electricity and gas prices, because fluctuations in these prices have a direct impact on the value of production, with consequent variations in trade receivables. Should energy commodity prices undergo significant swings, the AGSM AIM Group could find itself confronted with situations of uncertainty that may affect its ability to generate stable income. For a more detailed analysis of the factors underlying energy commodity price volatility, see the "Commodity risk" section.

In this context, the corporate Functions in charge of managing and monitoring the Group's credit exposure ensure appropriate and adequate governance of credit risk and, in general of counterparty risk, having defined and implemented specific customer lending policies. Customers have been subjected to an analysis of the counterparty's characteristics and expected creditworthiness, also activating specific preventive countermeasures aimed at reducing the level of credit risk exposure (e.g. requesting insurance guarantees and/or bank sureties, advance payments, etc.). To mitigate this risk, the AGSM AIM Group has developed a central credit policy governing the assessment of creditworthiness of customers (particularly industrial customers) and other counterparties, monitoring anticipated cash inflows, issuing timely reminders, granting extended payment terms when deemed appropriate, obtaining primary bank or insurance guarantees, and adopting appropriate collection procedures. Late payment interest is applied to overdue amounts in line with standard conditions.

For the management of credit risk, the Group has established several Operational Groups (in the form of steering committees), with a specific focus on the exposures of AGSM AIM Energia, V-Reti, and AGSM AIM Smart Solutions. For the other Group companies, the Risk Management function performs second-level monitoring and coordination.

Each Operational Group meets at least quarterly to discuss and analyse key aspects of credit risk management (e.g. analysis and assessment of counterparty creditworthiness, the level, features and trend of exposures and outstanding receivables, countermeasures and controls to be implemented, initiation of judicial and extrajudicial collection procedures, etc.).

With specific regard to the Group's trading company, AGSM AIM Energia has taken out a series of credit insurance policies for specific customer groups. A dedicated Credit Management function has also been set up and operates on a regular basis, overseeing the monitoring and control of credit risk. Individuals responsible for credit risk management have also been designated at the subsidiaries V-Reti and AGSM AIM Smart Solutions.

Commodity risk

The AGSM AIM Group operates mainly in the supply of electricity and gas to its customers and is therefore exposed to commodity risk, both in terms of price and volume.

Commodity risk in relation to prices is a function of the volatility of energy commodities traded on reference markets. Changes in commodity prices can have potential adverse impacts both on the Group's earnings performance (in terms of margins) and its overall financial position. Price fluctuations, either at global or local level, may be caused by factors such as supply and demand, national and international regulations and policies, and geopolitical developments. Consequently, unforeseen changes in prices may have a significant effect on the organisation's financial and operating results. Price movements within the energy scenario are a complex exogenous factor, which is difficult to predict and to control.

As part of its operations in commodity markets – in particular for gas and electricity – the Group has entered into supply and delivery contracts for both purchase and sale. Prices may be fixed or vary depending on the changes in certain market parameters (i.e. price risk).

Similarly, the Group is exposed to commodity price volatility in terms of volumes (volume risk) where there is a difference between the quantities actually consumed by customers with respect to those initially provided for in the relevant sales contracts (customer profile), with a consequent imbalance in the sourcing and sales portfolios.
The Group is therefore exposed to a market risk linked to fluctuations in electricity and gas prices and the related volumes exchanged, with a direct impact on procurement costs, sales revenue, cash flows used and, therefore, on the operating margin generated.
With specific reference to commodity risk management, the Group's main objective is to stabilise overall margins through active and informed management of this risk, by appropriately balancing the related portfolios (sourcing and sales, at fixed and variable prices), while guaranteeing the appropriate level of operational flexibility in the management of sourcing activities and portfolio imbalances.
To address risks related to commodity prices, the AGSM AIM Group has implemented a commodity risk management policy, which sets out principles and guidelines for managing portfolios of electricity and gas purchases and sales, and for the use of hedging instruments, both financial and commodity-based.
A dedicated Operational Group (in the form of a steering committee) has also been established to manage commodity risk. This committee meets at least monthly (or whenever necessary), and is responsible for monitoring Group-wide exposure to commodity risk, establishing energy and gas procurement planning and strategies, and determining whether to carry out hedging.
Specifically, for the wholly owned trading company AGSM AIM Energia, an Energy Market organisational unit has been established to serve the various Group subsidiaries, which is responsible for managing:

- supplies of electricity, gas, and related products;
- planning commodity trading activities;
- matters relating to energy and gas logistics and distribution;
- monitoring and optimising the economic and financial risks relating to commodities (price and volume);
- the sourcing/trading portfolio, to maximise margins while respecting the risk limits set and monitored by the AGSM AIM Group's Risk Management function.

The activities of the Energy Market function are guided by the commodity risk management policy, which sets out the principles and guidelines to be followed in managing portfolios for the purchase and sale of electricity and gas and entering into hedging instruments, both financial and commodity-based. In particular, to mitigate the risk of misalignment between indexation formulas, the Company employs hedging instruments specifically designed to make the indexation formulas for the purchase of gas and electricity as similar as possible to those used for sales. These instruments help stabilise profit margins and enhance financial risk management, reducing the likelihood that purchase and sale prices will diverge and lead to potential losses.
In 2024, energy and gas prices remained volatile, influenced by multiple factors, such as geopolitical uncertainty, energy policies, and fluctuations in global supply and demand. During the first quarter of 2024, the initial effects of the global energy crisis and the Russian invasion of Ukraine subsided, with natural gas prices falling back to pre-crisis levels. Nevertheless, prices remained higher than in 2023 in the main Asian and European markets, due to strong demand and temporary constraints on the availability of liquefied natural gas (LNG). Overall, the situation showed signs of stabilisation compared to previous years, although occasional fluctuations persisted, together with the expectation of rising prices in 2025.
The corporate functions of the AGSM AIM Group responsible for procurement, in collaboration with the administrative, financial, strategic planning and business control support functions, ensure constant monitoring of developments in the commodities market, assessing the movements in gas and electricity prices to monitor the effects on the business, also in light of a strongly evolving regulatory framework (i.e. new embargoes of products to and from Russia, the "Sostegni" Decree and "Taglia prezzi" Decree, consumer bonuses and extraordinary solidarity subsidy etc.).
Movements in commodity prices, both upwards and downwards, may also affect the Group's overall net financial position and, as a consequence, its liquidity risk.
In addition, the Group companies operating in the power generation sector are authorised for emissions into the atmosphere based on the limits set, mainly in the Provinces. Authorisations for industrial activities are granted in compliance with Legislative Decree 152/2006 (commonly known as the Environmental Code), and, where necessary, in accordance with the Integrated Environmental Authorisation (AIA).
For production plants using non-renewable energy sources, CO2 emissions are directly correlated with energy demand from users, because this energy is supplied using fossil fuels. Some Group companies may therefore emit more CO2 than planned as a result of increased energy demand from users. Such situations may result in a risk of increased costs associated with the changes in CO2 certificate prices (e.g. carbon or climate credits relating to European Union Allowances – EUA – traded within the European Emissions Trading System – ETS), because the companies would need to purchase more certificates to offset excess emissions. This could result in higher costs for the purchase of carbon certificates and could adversely affect the Group's reputation.
The risk of emission limit breaches is monitored via both preventative and detective control systems. The designated company functions are responsible for periodically monitoring emission levels arising from operating activities and accordingly planning the purchase of carbon credits based on required volumes and the most advantageous market prices.

Operational risks

Operational risk refers to the occurrence of adverse events that may cause losses resulting from shortcomings or inadequacies in company processes and procedures, organisational and human resource management, asset and system management, etc.
The main operational risks to which the AGSM AIM Group is exposed relate to the management and ownership of its plants (e.g. power, hydroelectric and cogeneration plants; wind and photovoltaic farms; waste treatment facilities; etc.) and its electricity, gas, and district heating distribution networks. Although, to date, the plants and networks operated by the Group have not experienced malfunctions or prolonged service interruptions, it cannot be ruled out that they could be vulnerable to events beyond the Group's control or to extraordinary situations, such as extreme weather phenomena, natural disasters, fires, terrorist attacks, sabotage, mechanical failures, accidents, and labour disputes. Such events could cause damage to or destruction of the Group's assets and, in the most severe cases, compromise operational activities. This could lead to financial losses, increased costs, or the need to revise investment plans. Moreover, any service interruptions, malfunctions, accidents, or significant events could expose the AGSM AIM Group to legal disputes, potentially resulting in compensation obligations.
To mitigate the impacts of risk events characterised by a remote likelihood of occurrence, the Group has taken out specific insurance policies covering certain incidents. In addition, with regard to mechanical failures and damage to plants or processes, each Group company has implemented ordinary and extraordinary maintenance programmes, which are strictly observed to prevent asset damage and economic losses.
The monitoring of operational risks is ensured both by the individual organisational units that are required to define and formalise internal reference regulations for the management of operational processes and by specific support functions that specialise in the definition and implementation of "management systems" inspired by international standards. With reference to some of these systems, specific certifications have also been obtained (e.g. ISO 9001:2015 - Quality Management System, ISO 14001:2015 - Environmental Management System, ISO 45001:2018 - Occupational Health and Safety Management System).
By means of the operational risk governance model briefly described above, the Group intends to pursue a path of continuous improvement to ensure increasing levels of efficiency and effectiveness of operational processes. At the same time, it also aims to minimise the risk of possible negative events or penalties for non-compliance with the regulatory provisions that govern the management of business activities, also from a technical point of view.
In order to establish and implement an adequate internal control and risk management system, from its very foundation the AGSM AIM Group has set up specific centralised functions and departments, including Compliance, Risk Management, Quality, Safety and Environment (QSA), and Internal Audit.
The development and adoption of the Enterprise Risk Management framework within the Group includes the establishment of a Risk Committee within the Parent Company, which supports the Chief Executive Officer in identifying and managing major corporate risks and is composed of the Chief Executive Officer and a selection of managers from the Parent Company AGSM AIM S.p.A. The Management Risk Committee meets at least quarterly to analyse and discuss risk factors affecting the AGSM AIM Group, promoting the implementation of appropriate corrective and mitigation measures for the corporate risks identified. For more details regarding the corporate risk management model, see the section on "Regulatory and compliance risk".
The AGSM AIM Group's ability to manage its activities effectively depends on the expertise and experience of its employees. If the Group were to lose a key member or fail to recruit, retain and/or replace sufficiently qualified and competent staff, it could encounter difficulties in implementing its corporate strategy, with adverse consequences on its operations, results, and financial condition. To mitigate this risk, the recruitment and hiring process for new employees at the Parent Company and its subsidiaries focuses on acquiring the most suitable human resources, both in quantitative and qualitative terms, according to the actual requirements of the business and available financial resources. Hiring is carried out in accordance with the principles of impartiality, cost effectiveness, speed, and equal opportunities. In addition, the AGSM AIM Group adopts specific retention actions to improve quality of life for employees. One of the main levers for enhancing performance and productivity is the introduction of greater flexibility. To support work-life balance, the Group offers flexible working hours, part-time contracts, and the option of agile working, in order to meet staff needs and contribute to organisational well-being.
Technological risk associated with ageing technologies and plants can also have a significant impact on the operations of the Group companies. Over time, systems, machinery, and equipment may deteriorate and sustain damage, not necessarily due to age, but rather as a result of wear and modifications during use. Technology employed for energy production, for instance, may become obsolete, requiring potentially significant investment for upgrading or replacement. Such obsolescence would affect the organisation's operating costs and could also compromise its market competitiveness. In the current environment of rapid and continual innovation the introduction of new technology may make existing technology less competitive and/or effective, compelling the Group to invest resources to keep pace with technological advances and meet market requirements. Adopting new technology could also involve investment in staff training, to ensure employees are properly equipped to use new systems safely and efficiently. The Group develops long-term strategic plans to anticipate technological change and integrate technology forecasting into it business management.

Additional, ordinary and extraordinary maintenance programmes are implemented on a regular basis to promptly identify areas at risk of obsolescence and, where necessary, carry out the replacement or upgrading of plants, equipment, and systems.
Lastly, in addition to implementing the above-mentioned controls and mitigation measures, the Group has implemented the project for the development and design of its own Business Continuity Management System (BCMS), focusing on its main critical assets (i.e. plants, services, processes, etc.) and based on the applicable international standards (ISO 22301:2019).
The BCMS Project has enabled the development of guidelines and methodologies to ensure business continuity and organisational resilience in the event of critical incidents. The objectives set by the Group in line with international business continuity standards are the following:

- ensuring continuity of essential services by protecting and swiftly restoring critical Group processes in the case of adverse events;
- protecting key stakeholders to safeguard customers, partners, employees, suppliers, and the community by limiting adverse impacts resulting from service interruptions;
- mitigating interruption risks by identifying and assessing the impact of those risks on business continuity and implementing appropriate preventive or containment measures;
- strengthening response and recovery capabilities by improving the effectiveness and preparedness of incident response procedures through emergency planning, periodic testing, and drills;
- complying with regulatory requirements and industry standards to ensure adherence to current regulations and international standards by promoting structured business continuity management;
- fostering a culture of resilience by raising awareness and building capacity at all levels of the organisation on business continuity issues through ongoing training and effective communication.

The Business Continuity Management System currently being adopted is designed to oversee business continuity risks relating to support the processes and services provided by the Parent Company to its subsidiaries, as well as the business processes implemented by its Business Units.
The analysis carried out has enabled the identification and assessment of the different extent and nature of interruption risks and critical processes, which are regulated through the guidelines and procedures developed in the respective business continuity plans. For the network distribution management company V-Reti, due to the specific regulatory framework in its sector, the analysis confirmed the suitability of the already established and implemented business continuity systems, while for other Group companies, specific improvement plans have been drawn up, where considered necessary, based on priority of intervention.
Some Group companies are parties to civil, tax, criminal, and administrative proceedings which are incidental to their business activities. In some cases, if the Group considers it unlikely that the litigation will result in an adverse outcome or that it can be resolved satisfactorily without significant impact, no specific provisions are made in the Consolidated Financial Statements. The Group may also be subject to additional disputes and investigations by tax or other authorities. It is not possible to predict the final outcome of current and future claims against Group companies or of investigations that could exceed the provisions they have made. In addition, it cannot be ruled out that the Group could incur significant losses beyond the amounts already provisioned in relation to pending litigation and legal proceedings, or to future claims or investigations that could be initiated due to:

- uncertainty regarding the final outcome of such proceedings, claims, or investigations;
- new developments that management was unable to consider at the time of estimating the likely outcome of such proceedings, claims, or investigations when making the provisions;
- new evidence and information;
- underestimation of likely losses.

With specific regard to ongoing and/or potential litigation, the Group Legal department oversees and manages litigation and damage claims brought by third parties against the Group companies. Legal and out-of-court disputes are handled by in-house lawyers, with support from external law firms specifically appointed to defend the organisation before the appropriate authorities. The probability of an adverse outcome and the corresponding allocation in the provisions for risks and expenses are estimated based on the status of legal proceedings and/or negotiations with counterparties, as well as guidance received from the internal and external legal advisors, in coordination with the Group Finance & Control Department.
In recent years, the AGSM AIM Group has embarked on several strategic partnerships and may, in the future, enter into further joint ventures or partnerships with current or new partners. However, the expected benefits or returns from such initiatives could prove more difficult to achieve or lower than initially estimated by the organisation. In addition, such investments are inherently risky, as the Group may not be able to exercise full control over the management of a joint venture or partnership, or over the business decisions taken by its partners. Joint ventures and partnerships also involve the risk of difficulties in integrating people, processes, technologies, and products. Although the Group aims to participate only in projects where its interests are aligned with those of its partners, there can be no guarantee that such alignment will persist over time. While strategic joint ventures are generally stable structures, they may still be subject to exit or conflict resolution clauses. Their dissolution can be lengthy and costly, and the Group cannot guarantee that alliances will

endure over time in line with its long-term strategy. All these factors could adversely affect the Group's business, financial position, and operating results.
Joint ventures and/or partnerships are promoted by the respective Business Units within the Group and are defined, executed, and managed in coordination with the Parent Company's central departments, particularly with regard to the agreements to be entered into and their terms and conditions, as well as the guarantees and undertakings, the soundness of the business objectives established, the related timelines, and expected financial performance.

Exchange rate risk

Exchange rate risk is the possibility that fluctuations in market exchange rates may cause significant variations, either positive or negative, in the equity value of the AGSM AIM Group.
Specifically, for the AGSM AIM Group, exchange rate risk concerns the conversion of the financial statements of foreign subsidiaries, in particular with reference to Ecotirana SH.A. and AGSM Holding Albania SH.A. (in liquidation). These financial statements are recorded in Albanian LEK and are therefore converted into EURO in order for them to be consolidated.
The Group's exchange rate risk is not particularly significant.

Climate change risks

The risks related to climate change may result in both a general increase in temperatures and the occurrence of extreme weather events, that are often unpredictable.
Climatic and environmental risks commonly include two main risk factors, outlined below.

- Physical risk. This refers to the financial impact of climate change, including more frequent extreme weather events and gradual climate change, as well as environmental degradation, such as air, water and soil pollution, water stress, loss of biodiversity, and deforestation. Physical risk is therefore classified as "acute" if caused by extreme events such as droughts, floods and storms, or "chronic" if due to progressive changes such as rising temperatures, sea-level rise, water stress, loss of biodiversity, changes in land use, habitat destruction, and resource scarcity. This risk can, for example, directly cause material damage or a fall in productivity, or indirectly result in follow-on events such as the interruption of supply chains.
- Transition risk. This refers to the financial loss that an organisation may incur, either directly or indirectly, as a result of the transition towards a lower-carbon and more environmentally sustainable economy. Such a situation could be caused, for example, by the relatively sudden adoption of climate and environmental policies, technological progress, or changing market confidence and preferences.

During the year, there was a widespread and significant increase in the occurrence of extreme weather events, including fires, floods and hurricanes, some of which impacted Italy. Natural disasters damaged essential infrastructure, undermined agricultural production, and increased insurance costs. Extreme weather conditions such as heat waves, heavy rainfall, floods and droughts had devastating effects on both the environment and the economy. In particular, certain areas suffered severe impacts, such as Emilia-Romagna, which faced serious flooding and landslides due to persistent rain, and Sicily, struck by severe drought that drastically reduced available water resources, putting water supplies for domestic, agricultural, and industrial use at risk.
In the energy sector, the general increase in average temperatures is likely to entail a reduction in energy consumption during the cold season (October to March) for heating purposes by end customers, with a consequent reduction in expected revenue from sales and generation of energy, which would only partially be offset by an increase in consumption for cooling purposes.
The occurrence of extreme and acute weather events could negatively affect different aspects related to company activities. By way of example, periods of prolonged drought would result in a lower than expected availability of water resources for hydroelectric generation purposes and a lower quantity of weather systems needed for wind-powered production, compared to the expected values calculated on the basis of statistical estimates processed through historical records. Moreover, extreme weather events could compromise the integrity of the company's assets (e.g. power lines, generation and distribution systems) with consequent disruption for both end customers and the company itself. Such climate changes also have a strong impact on the production of renewable energy, in particular for hydroelectric and photovoltaic plants.
The level of accuracy of energy consumption forecasts, which are fundamental for the correct purchase and sale of commodities (i.e. electricity and gas), could also be negatively influenced by events of an extreme or unpredictable nature.
To mitigate these risks, the AGSM AIM Group has adopted preventive measures, including the implementation of detailed meteorological analyses to monitor daily energy consumption and minimise imbalances in gas and electricity volumes traded on the markets.
In the current climate context, the concept of distribution network resilience assumes particular relevance, a parameter that is becoming increasingly crucial to ensure the stability and sustainability of systems. The resilience of networks refers precisely to the ability of a system to maintain its functionality and adapt in response to disturbances or crises (such as snow clusters that can lead to short circuits; strong winds that can cause tree falls with consequent damage to infrastructure; air pollution that can give rise to unwanted and harmful deposits on the network lines). The Group has

planned significant investments in the maintenance, upgrading and strengthening of distribution networks, in order to make them more resilient to extreme weather conditions and the challenges of the energy transition.
The increasing frequency and intensity of extreme natural phenomena, together with the volatility of electricity and natural gas prices and the heightened focus on sustainability issues, have accelerated the shift towards renewable energy sources. The expansion of renewable energy, particularly solar and wind, is being accompanied by the strengthening of existing energy resources such as hydroelectric power and district heating. In this context, the Group is strongly committed to planning and making investments in new renewable energy production plants while progressively upgrading those already in its portfolio of operational assets.
Indeed, the AGSM AIM Group is strongly committed to the transition towards renewable energy sources, carrying out climate scenario analyses to optimise the efficiency of both current and future energy production plants. The Group has for some time directed its corporate energy plan towards the development of ever-increasing amounts of energy generated from renewable sources, thus embracing an approach that is as environmentally friendly as possible. However, even these energy sources expose the Group to a series of climatic risks, especially related to wind and sunlight systems on which the volumes of energy produced in the year may depend to a large extent. Specifically:

- with regard to hydroelectric plants, production levels may be positively or negatively affected by either extreme weather events (e.g. storms, tornadoes, torrential rainfall, periods of drought, etc.) or chronic changes (e.g. progressive desertification/tropicalisation of the climate, changes in the type and pattern of precipitation, water stress, etc.). In cases of extreme rainfall, for example, company assets could suffer significant damage and require plant shutdowns for necessary maintenance and repairs. On the other hand, prolonged droughts can result in reduced water availability, limiting hydroelectric energy production. In 2024, the Group's hydroelectric segment benefited from frequent precipitation throughout the first half of the year and in September and October of 2024;
- photovoltaic plants are particularly vulnerable to damage caused by weather events. The consequences of such events vary: for example, extreme heat can significantly reduce energy production, as high temperatures reduce plant efficiency; and during periods of drought, dust and sand build-up can lower energy generation capacity, and, in extreme cases of fire, smoke and debris can have further negative effects. Hail also represents a significant risk, as it can damage solar panels by breaking the surface of photovoltaic cells or the support frame, as well as causing less visible but efficiency-compromising damage. In 2024, the photovoltaic plants were adversely affected by low sunlight levels due to high cloud cover, impacting all the plants in northern Italy;
- with regard to wind power plants, both extreme heat and harsh cold snaps with frost and ice can affect turbine operation, negatively impacting their performance. Severe weather disturbances can put excessive mechanical stress on turbines, necessitating shutdowns to prevent wear. In November 2024, the Group's wind power segment suffered a major malfunction in the plant due to adverse weather conditions;
- for the thermoelectric plants, production levels can also be affected by environmental variables. Water scarcity, often caused by prolonged drought, limits the ability to generate electricity due to inadequate water for plant cooling.

In the face of such eventualities, the Group's competent corporate structures and functions are committed both to ensuring the maintenance and operational efficiency of our plants and infrastructures, and being constantly engaged in climate monitoring activities to ensure maximum production efficiency in our plants and the lowest possible energy consumption. With specific reference to district heating services, the monitoring consists of the presence of company units dedicated to the constant updating of demand forecasts in relation to expected temperature trends (day by day) as well as the consequent management and optimisation of heat production/supply. In addition, strategies have been adopted to ensure energy production is as efficient as possible and to minimise the long-term negative impact of climatic events. Designated staff within the Power Business Unit, which is responsible for electricity generation, are tasked with conducting in-depth studies on the effective implementation of the energy generation plants. These studies include the analysis of local climate conditions, environmental risk assessments, and the design of technical solutions to maximise energy optimisation.
In 2024, the AGSM AIM Group saw a significant increase in electricity generation from renewable sources, with the main contribution coming from hydroelectric plants, followed by wind and photovoltaic sources. For more details on the performance of the Group's electricity generation plants, see the Sustainability Report section of these Consolidated Financial Statements.
In addition, the Group has launched specific projects to carry out a detailed mapping of its emissions (in particular indirect greenhouse gas emissions, known as Scope 3) and develop energy efficiency projects for its premises and plants, as well as a progressive decarbonisation plan to be implemented over the coming years.
Lastly, steps have been taken towards achieving ISO 50001:2018 energy management system certification for AGSM AIM Power and AGSM AIM Calore, reflecting the Group's commitment to an increasingly sustainable use of energy resources.
For further details regarding the risks deriving from climate change, see the Sustainability Report, section "2. Environmental Information", 2.1 Climate Change – ESRS E1.

Regulatory risk

The regulatory risk is correlated to the constant evolution of the regulations governing the duration of public service concessions and the regulation of the related sectors.

The AGSM AIM Group operates within a political, legal, and social environment that is expected to continue having a significant impact on its performance. In particular, sector regulation affects many aspects of the Group's activities, in several cases determining the way in which the Group operates and setting the tariffs applied or received for its products and services. Any amendments to applicable legislation and regulation, either at European, national, or local level, and the interpretation of those amendments by the competent authorities, could have an adverse effect on the concessions currently held by the AGSM AIM Group and its subsidiaries. Such changes could compromise the Group's existing and future operations, affecting costs, the ability to generate revenue, and, more generally, the development of its activities. Potential changes may include revisions to the award and renewal of concessions, the management of tariffs, the setting of indemnities in the event of concession terminations, incentives for renewable energy, regulation of business combinations, tax rates, and environmental, safety, and labour law provisions.
Of particular significance is the risk of non-compliance with environmental regulations. This refers to the risks associated with non-compliance with environmental laws and regulations, which could give rise to penalties, reputational damage, operational interruptions, and additional costs to resolve any issues or to comply with new requirements. Environmental regulations are constantly evolving, with increasingly strict requirements in terms of sustainability, emission reductions, waste management, and the safeguarding of natural resources. The AGSM AIM Group incurs significant costs to ensure that its plants, in particular its waste management facilities, and its operations comply with applicable environmental laws and regulations.
In addition, in Italy there have recently been significant regulatory updates, including the implementation of Legislative Decree 125/2024, which transposed European Directive 2022/2464 on corporate sustainability reporting (the Corporate Sustainability Reporting Directive, CSRD). This regulation introduced substantial changes to the reporting requirements established by the Non-Financial Reporting Directive, with the aim of improving the quality of information and ensuring greater data comparability. These changes, which reflect a strengthening of environmental regulations, impose increasingly strict obligations, requiring AGSM AIM Group to adopt preventive or corrective measures that have a direct effect on business decisions and on the overall corporate strategy.
Failure to comply with environmental regulations in the geographical areas where the Group operates could result in sanctions, legal proceedings, or loss of licences. Any significant increase in costs to ensure compliance with environmental regulations, including for plant maintenance and upgrading, if not recovered in a timely manner, could have an adverse effect on the AGSM AIM Group's business prospects, revenue, operating results, and financial position.
Such regulatory changes could also represent a significant opportunity for the Group. In particular, the energy sector is characterised by numerous incentives and benefits aimed at promoting the generation of energy from renewable sources. These incentives may include government subsidies, tax breaks, feed-in tariffs, and subsidised financing for green energy projects. These measures are designed to support organisations on their journey towards sustainability and energy efficiency, while reducing the environmental impact of production activities.
With regard to taxation, the determination of taxes owed by the Group is closely linked to current legislation. This tax legislation may be subject to unfavourable changes, exposing the Group to potential disputes with the tax authorities. To address this risk, the AGSM AIM Group has established the Tax Function, dedicated to managing and controlling the correct estimation and timely payment of taxes. In addition, the Tax Function has launched projects to develop and adopt a tax control framework enabling the Group to progressively comply with the requirements of collaborative compliance, as envisaged by Legislative Decree 2023/221, which came into force on 18 January 2024.
In general, in order to closely monitor regulatory developments and appropriately manage compliance risk, the AGSM AIM Group has developed and implemented a specific risk management and internal control system, which also includes the creation of specific functions and offices at Group level, such as Compliance, Risk Management, QSA (Quality, Safety and Environment), and Internal Audit. In particular, with the help of the Compliance Function and, where deemed appropriate and necessary, with the support of external experts, the Group carries out constant monitoring of the legislation and promptly promotes the start of adaptation projects, with particular reference to the legislation on Privacy and Data Protection, the legislation on Administrative Responsibility pursuant to Italian Legislative Decree 231/2001, environmental legislation (in collaboration with the Quality, Safety and Environment Function), the legislation on Market Abuse, the legislation on Digital Storage in accordance with the law and the legislation on Public Procurement (in collaboration with the Purchasing Department). In addition, each corporate department, organisational unit, and significant subsidiary has identified and appointed focal points who, in coordination with the second-level control functions of the Parent Company, act as experts with responsibility for specific regulations, tasked with continuously monitoring regulatory developments within their remits, providing timely reporting, and promoting the necessary actions for prompt regulatory alignment.
With specific regard to the Italian legislation relating to the administrative liability of entities under Legislative Decree No. 231 of 8 June 2001, the main Group companies have adopted their own organisation, management and control models, and have appointed their own supervisory bodies. A Code of Ethics and an Anti-Corruption Policy have also been defined and adopted at Group level. Again with regard to anti-corruption, from the second half of 2024 the company began the process of obtaining anti-corruption certification under the ISO 37001:2016 standard, with the objective of achieving certification by the end of 2025. For further details regarding the ISO 37001 certification project, see the Sustainability Report section of these Consolidated Financial Statements.

With reference to the issues on the personal data protection management, the Group has adopted its own privacy governance system capable of ensuring compliance with the provisions of the General Data Protection Regulation (Regulation (EU) 2016/679 - GDPR), including the appointment of a Data Protection Officer (DPO).

Risks related to tenders for the award of new concessions

The AGSM AIM Group's activities are closely linked to concessions issued by local and national authorities for regulated activities. The loss of a currently held concession could have an adverse impact on the Group's operations, financial performance, and overall situation.

Activities include both fully regulated services, managed under authorised concession arrangements ("Regulated Activities") – such as the distribution of gas and electricity, electricity generation, management of hydroelectric plants, district heating, urban cleaning, waste collection, public lighting, parking services, etc. – and activities managed under a free competition regime ("Liberalised Activities"), such as the sale of gas and electricity. Regulated Activities depend on concessions granted by the Italian Ministry of Economic Development (for example, electricity distribution) and municipal authorities (for other services), with durations varying according to the different operational areas of the AGSM AIM Group.

Concessions relating to Regulated Activities may not be renewed or maintained at the end of their term, and, if renewed, may be subject to more onerous financial conditions. Furthermore, it is not guaranteed that the Group will obtain new concessions or that renewals will be on the same terms as before. The concessions are governed by contracts which impose specific obligations on the concession holder, including regular maintenance and management of plants in accordance with the quality standards defined by ARERA (Regulatory Authority for Energy, Networks and Environment). If these obligations are not met, the concession holder may be subject to sanctions or penalties, and in the event of serious non-compliance, the concession may be revoked early by the granting authority. In addition, under the principles of Italian law, a concession may be terminated for reasons of public interest, with an obligation for the concession holder to transfer the assets relating to the concession to the granting authority or a new concession holder. In the event of early termination, the concession holder may be entitled to compensation in accordance with the terms of the concession agreement.

To maintain and develop its market position in services and therefore retain and expand its business operations, specific organisational structures have been established for the continuous monitoring of opportunities and for the effective and efficient management and participation in tenders.

In particular, with regard to the participation in tenders for the award of the new gas distribution concessions, the Area tenders (for the ATEM - Minimum Territorial Areas) will presumably be held in the near future, in which the Group companies may not be awarded one or more of the new concessions, or may be awarded the new concessions at less favourable conditions than the current ones, with possible negative effects on the financial position and results, without prejudice, in the event of non-award, to the collection of the reimbursement value in favour of the outgoing operator, generally determined at values not less than those in the asset register.

With regard to plant management, the Group manages several hydroelectric plants, some of which are approaching expiry. The non-renewal of the concessions could result in significant losses in terms of the following:

- financial, due to the loss of income from the plants;
- regulatory, as new regulations could change the conditions of the new concessions, such as stricter environmental requirements or higher concession fees;
- operations, since uncertainty about the renewal of concessions may discourage long-term investment owing to the potential non-recovery of expenses incurred;
- reputation, from stakeholders as a result of a reduction in the number of renewable energy plants managed.

At the same time, the expiry of concessions for hydroelectric plants may provide an opportunity to acquire the multi-year management of new plants through competitive tendering. Successfully securing tenders could deliver significant financial and reputational benefits.

Moreover, the failure to secure public or private contracts or concessions for the marketing of smart services, such as mobility and smart city solutions, could hinder the growth and competitiveness of the Smart Business Unit. Developing offers that are not aligned with the expectations of public and private customers in relation to the competitive environment, could adversely affect revenue and EBITDA.

To mitigate these risks, the companies of the AGSM AIM Group are constantly committed to enhancing competitiveness in tenders. To this end, procedures and operational instructions have been implemented for the management and development of tenders for the award of concessions. In addition, designated staff closely monitor current concessions and tenders, reviewing and updating mitigation plans based on changes in the operational environment.

Growing competition in the energy sector requires organisations to be increasing agile and responsive to requests for proposals, continuously adapting their commercial strategies to stay competitive. Failure to secure tenders for the sale of energy services can compromise the Group's ability to generate profits and maintain a strong market position. This risk could arise, for example, from the preparation of offers that do not meet customer expectations and are not competitive with respect to those of other operators.

The Group’s commercial company has adopted a complex organisational structure (e.g. Sales Department, Pricing Department, Communication & Digital Department) to mitigate the risks associated with failure to win tenders and concessions in the sale of energy services, and to respond promptly to the challenges of the energy market.

Information & communication technology risks

The Group's activities are managed through information systems that support the main business and support corporate processes. These information systems are designed, implemented, and, when necessary, updated by the Parent Company’s Information Systems Department, which is also responsible for their maintenance and supervision to ensure high performance and ongoing integration with evolving business requirements. The efficient operation of these information systems and networks, as well as the secure processing and maintenance of related data, are essential for the AGSM AIM Group’s business operations.

Any inadequacy, fragmentation, delayed integration of existing platforms, or the failure to update these information systems in line with operational and business needs, their possible unavailability and the inadequate management of aspects related to the integrity and confidentiality of information represent potential risk factors that the Group mitigates through specific controls governed by the IT Systems Department, which has also adopted specific guidelines. policies and procedures.

In this regard, Disaster Recovery systems have been implemented and specific insurance coverage is in place for the ICT sector, with the aim of mitigating potential damage resulting from discontinuity in service provision.

In addition, the AGSM AIM Group collects, manages and stores sensitive data in data centres and across IT networks, including documents protected by intellectual property rights, confidential business information, and sensitive data regarding customers, suppliers and employees. The confidentiality and security of information are subject to specific controls by the Group, through internal policies, tools for the segregation of access to information, as well as through specific contractual agreements with third parties that may have to access sensitive information for its processing to be carried out in accordance with the relevant good practices and in compliance with the applicable regulations.

The growing number of threats to IT security and cybercrime, aimed at damaging infrastructure or breaching personal data, present a risk to the security of AGSM AIM Group’s systems and networks, as well as the confidentiality, availability, and integrity of its data.

In 2024, cyber attacks increased significantly, both globally and targeting entities in Italy, continuing the increasingly sophisticated evolution of cyber threats. These attacks, which are designed to disrupt, damage, or compromise the security of IT systems, have heightened the focus on cyber risk – defined as the risk of economic loss, operational disruption, or damage caused to critical digital technology systems. The most vulnerable and heavily targeted sectors are those considered strategic and of national significance, such as the healthcare, military and financial sectors, together with the energy and utilities sector, which continues to be a particularly sensitive and high-risk target.

These risks may materialise through the compromise of information confidentiality and integrity. Major threats may include identity theft, phishing targeting the takeover of an individual device as a point of access to core systems, and attacks on exposed IT systems, such as public websites.

A fault or security breach could expose the Group, as well as its customers, service providers, and employees, to risks including misuse of information, compromise of confidential information, loss of financial resources, manipulation and destruction of data, and interruptions to operations, with negative impacts on the AGSM AIM Group’s reputation, competitive position, activities, and operating results. With specific reference to its cybersecurity, the Group is actively committed to implementing its own programme involving constant developments and continuous improvement of its operational processes, technological tools and corporate policies that enable it to reduce the risks and negative impacts of cyber-attacks, also thanks to careful monitoring of its hardware infrastructure and software systems.

In particular, the AGSM AIM Group’s Information Systems Department has implemented the following security measures:

- use of cutting-edge disaster recovery solutions, periodically tested on both cloud services and those managed internally in the data centre, to ensure resilience and business continuity in the event of emergencies;
- regular penetration tests, to assess the effectiveness of current security measures and to promptly identify vulnerabilities, enabling the planning and implementation of the necessary corrections;
- adoption of the NIST CSF 2.0 framework for continuous monitoring of the maturity level in cyber risk management, enabling ongoing adjustment of the “security posture” through specific controls divided into strategic areas;
- implementation of advanced vulnerability management tools dedicated to analysing and identifying software vulnerabilities, to prevent threats and mitigate cyber risks;
- enforcement of ICT policies concerning the use of external memory devices, with technological measures to block unauthorised devices, ensuring strict control over access to sensitive information.

These mitigation measures are designed to manage the threats systems are exposed to and to prevent incidents in order to ensure business continuity, enhancing the Group’s resilience to these phenomena.

Risk relating to health and safety for employees and suppliers

This risk concerns harm caused to the health and safety of individuals working directly or indirectly for the Group companies, including employees, contractors, and suppliers, which may arise from failures and malfunctions of company plants (internal factors) and/or from natural or atmospheric events (external factors). In this context, it is essential to ensure proper maintenance (routine and extraordinary) and operational management of company assets, in addition to ensuring appropriate training of operational personnel and the use of personal protection equipment.
The Group's activities are managed in full compliance with applicable regulations on accident prevention and occupational health and safety. The companies consider the protection of workers' health and safety to be of primary importance, aiming not only to comply with the regulations, but also to seek the ongoing improvement of working conditions. In this regard, the companies with the greatest exposure to health and safety risk have adopted and implemented an effective occupational health and safety management system compliant with the international standard ISO 45001 which, together with staff training and awareness-raising activities, plays a key role in mitigating health and safety risks for personnel. The activities carried out by personnel external to the Group are subject to strict rules of conduct to prevent interference risks contained in the DUVRI (Interference Risk Assessment Document) shared with suppliers, together with evaluation and prior assignment of the supplier and, subsequently, verification of the effective implementation of risk measures in the field of health and safety at work (as provided for in the DUVRI).

1.15 Report on risk management and internal control systems pursuant to Article 123-*bis*, paragraph 2, sub-paragraph b), of Italian Legislative Decree 58/98

In consequence of the issuance and listing in 2017 and 2018 of the two tranches of the bond by AIM Vicenza S.p.A. for a total of Euro 70 million (ISIN Code: XS1683476268) on the Main Securities Market, a regulated market operated by the Irish Stock Exchange Euronext Dublin, AGSM AIM S.p.A. (the "Company") is qualified as an "issuer of securities listed on a regulated market". Therefore, it has to comply with a series of obligations.
In 2024, the Company issued a new bond for an amount of 46 million euro, maturing on 7 August 2031 (ISIN Code: XS2856134858), on the regulated market of Irish Stock Exchange plc, operating as Euronext Dublin (a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, known as MiFID II EU, as amended).
Specifically in regard to the report on corporate governance and ownership structure envisaged in Article 123-*bis* of Italian Legislative Decree 58 of 24 February 1998 ("Consolidated Law on Finance" or " TUF"), since the Company does not have shares listed on a regulated market or a multilateral trading system, it has opted to include in the report only the information concerning the principal characteristics of the existing risk management and internal control systems connected with the financial reporting process, including the consolidated financial statements, pursuant to paragraph 2, sub-paragraph b) of Article 123-*bis* of the Consolidated Law on Finance.
In accordance with applicable laws and regulations and existing leading practices in this regard, and considering the sector in which AGSM AIM S.p.A. and its subsidiaries operate, the Company has implemented an internal control and risk management system. This system consists of the series of rules, procedures and organisational structures designed to identify, measure, manage and monitor its principal risks, assuring compliance with corporate strategies and achievement of the strategic objectives of the Company and the Group.
The internal control and risk management system must not be considered separately from the internal control system in relation to the separate and consolidated financial reporting process. In fact, both of them are essential elements of one and the same system (together, the "System") designed to assure:

- the reliability of financial reporting, i.e. to ensure that the reporting is fair and compliant with generally accepted accounting principles and applicable statutory and regulatory requirements;
- the accuracy of financial reporting, i.e. to ensure that the reporting is neutral and precise;
- the trustworthiness of financial reporting, i.e. to ensure that the reporting is clear and complete so that investors may make informed investment decisions;
- the timeliness of financial reporting, i.e. to ensure that the reporting meets its fixed publication deadlines.

The intended purpose of the System – which centralises the principal activities (especially operating and financial activities) at the centralised administrative offices of the Parent Company – is to guarantee an adequate flow of information and exchange of data and information between the Company and its subsidiaries. All of this is aimed at maintaining precise control over the performance of the subsidiaries, investments and sources of funding. Through the centralisation of staff services at the Parent Company, the specific intention is to guarantee, *inter alia*, adequate control over the disclosure of operating and financial information, including but not only in compliance with the market abuse rules set out in Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014, as amended, and in the associated enabling and execution acts.
The System is subject to revision in response to the regulatory framework and operating segment in which the Group operates and modification of the corporate business areas to ensure the effectiveness and coordination of the principal elements of the System in relation to the organisational and governance development of the Company and the Group.

Within the framework of the internal control and risk management system, second-level control functions known as the Compliance Function and the Risk Management and ESG Function, together with the third line of control represented by the Internal Audit Function, have been set up and actively operate, each within the scope of its competence, to ensure the necessary monitoring of corporate risks.
At a top executive level, a Group Executive Risk Committee has been established since 2022. This Committee, chaired by the Chief Executive Officer and composed of a selection of the Parent Company executives and the Internal Audit Function as auditor, meets regularly, with the involvement of the company functions depending on the matters and subjects being discussed.
Additional executive Operational Groups have also been established for the management of significant corporate risks:

- Credit Risk Operational Group;
- Commodity Risk Operational Group.

These Operational Groups have been established within the individual Group companies where considered appropriate (AGSM AIM Energia, AGSM AIM Smart Solutions, and V-Reti). For further details regarding the activities carried out by each Operational Group, see the section "Main risks and uncertainties to which the Group is exposed (Article 2428, paragraph 2, point 6-bis)" of this document and section "1.4.3 Internal Control and Risk Management System" of the Sustainability Report included in the Report on Operations in these Consolidated Financial Statements.

Other significant topics

With regard to the alleged administrative offence and the notification received by the Company, as disclosed in the previous financial report, the proceedings ended with a successful outcome for the Company before the court of Rovereto.

1.16 Sustainability reporting

For the Consolidated Sustainability Report, see the section below in this Report on Operations.

2024 Consolidated Sustainability Report

1 General disclosures

[ESRS_2, BP-1, DP 5a, 5b, 5c, 5d, 5e]
[ESRS_2, BP-2, DP 9a, 9b, 10a, 10b, 10c, 10d, 11, 13, 14, 15, 16, 17]

1.1. Basis of preparation of the Report

The AGSM AIM Group's 2024 Consolidated Sustainability Report marks the beginning of a new journey to present sustainability data and information in a way that is coordinated and integrated with traditional financial reporting. The Consolidated Sustainability Report has been prepared in accordance with Legislative Decree No. 125 of 6 September 2024, which transposes into Italian law EU Directive 2464/2022, known as the Corporate Sustainability Reporting Directive (CSRD) (hereinafter also referred to as the "CSRD" or "Directive"), as well as the new European Sustainability Reporting Standards (ESRS) adopted by the European Commission on 31 July 2023 and developed by EFRAG (European Financial Reporting Advisory Group), and the requirements of Article 8 of EU Regulation 2020/852 of the European Parliament and Council, together with the related delegated regulations. In compliance with the ESRS, this Sustainability Report aims to present and explain all information deemed relevant and necessary to enable AGSM AIM Group's stakeholders to gain a clear and comprehensive understanding of the impact our organisation has on sustainability issues, as well as how these sustainability issues may affect the performance, results, and financial position of the AGSM AIM Group.

In preparing the Consolidated Sustainability Report, the sustainability reporting principles outlined in ESRS 1 were taken into account: relevance, faithful representation, comparability, verifiability, and understandability. Furthermore, this Consolidated Sustainability Report is structured with reference to the provisions of ESRS 1 (paragraph 115), which calls for the inclusion of the following four sections: general, environmental (including disclosures required under Article 8 of EU Regulation 2020/852), social, and governance information. Also included in the Consolidated Sustainability Report are dedicated appendices containing the taxonomy-required tables, AGSM AIM Group's performance indicators, the disclosure requirements index, the list of information elements related to the cross-cutting and thematic principles derived from other EU legislative acts, and the concordance table between material topics and the SDGs.

During the 2024 fiscal year, the AGSM AIM Group conducted a Double Materiality Assessment (DMA) to identify and understand the main impacts, risks, and opportunities (IROs) related both to its own operations and activities across its value chain (upstream and downstream of the organisation). Where specific IROs related to its value chain have been identified, AGSM AIM discloses the available quantitative and qualitative information regarding its sustainability performance. The list of reported indicators, along with any detailed notes, is provided in the Concordance table included at the end of this sustainability section within the Report on Operations of the Group's Annual Financial Report.

The time horizons considered by AGSM AIM for the Consolidated Sustainability Reporting are those defined in ESRS 1, specifically:

- the short-term time horizon corresponds to the financial reporting period (i.e., within a calendar year);
- the medium-term horizon extends from the end of the short-term reference period up to five years; while
- the long-term horizon refers to impacts, objectives, or actions expected over a period exceeding five years.

The reporting period covers 1 January to 31 December 2024, with data from the two preceding years provided, where available, solely for comparative purposes to facilitate understanding of the Group's sustainability performance trends.

For the purposes of correctly representing the performance and guaranteeing the reliability of the data, the use of estimates has been limited as much as possible, which, if present, are based on the best available methodologies and are appropriately reported. In addition, any restatements of previously published comparative data are clearly indicated in the text. In particular, during the preparation of the report, the Group was required to estimate data and information related to the value chain for the calculation of Scope 3 emissions (further detailed in the section "The Group's Greenhouse Gas Emissions"). It should be noted that the estimates made for the purposes of this Report are not generally characterised by a high level of uncertainty, with the exception of Scope 3 emissions, which show a low level of uncertainty for most categories and a medium level of uncertainty for category no. 1 "Purchased Goods and Services" and category no. 7 "Employee Commuting".

It should be noted that the AGSM AIM Group did not exercise the option to omit information relating to intellectual property, know-how, or innovation results, nor has it applied the exemption for disclosing information concerning imminent developments or matters under negotiation.

This document was approved by the Company's Board of Directors on 5 May 2025, together with the draft Annual Financial Statements and the Consolidated Financial Statements, in accordance with the responsibilities assigned to the Shareholders' Meeting, the Company's Articles of Association, and applicable laws.

The Consolidated Sustainability Report is subject to assurance by an independent audit firm, BDO Italia S.p.A., which is tasked with verifying its compliance with Legislative Decree 125/2024 and its consistency with the adopted reporting Standards.

The structure of the document aims to present the activities carried on by the Group in as clear and organised a manner as possible, first providing a broader and more strategic view and gradually concentrating and analysing in detail the relationships with stakeholders and the peculiarities of the activities carried out on the territory.

This Consolidated Sustainability Report includes, among its key drafting principles, the Double Materiality Assessment, which identifies the themes that are of particular importance to AGSM AIM, as outlined in the Group's key Business and Strategic Plan objectives and linked to the reported performance indicators.

The Consolidated Sustainability Report of AGSM AIM S.p.A. for the 2024 financial year includes within its scope the companies that are fully or proportionally consolidated in the Consolidated Financial Statements and are considered relevant and significant to the Group's business.

BU Networks	BU Market	BU Smart	BU Heat	BU Power	BU Environment	Other companies
o V-Reti S.p.A.	o AGSM AIM Energia S.p.A. o CogasPiù Energie S.r.l.	o AGSM AIM Smart Solutions S.p.A. o Agisco S.r.l.	o AGSM AIM Calore S.r.l.	o AGSM AIM Power S.r.l. o Bortoli Total Green S.r.l. o Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l. o Green Hydrogen Venezia S.r.l. o JUWI Development 02 S.r.l. o JUWI Development 08 S.r.l. o Parco Eolico Carpinaccio S.r.l. o Parco Eolico Riparbella S.r.l.	o AGSM AIM Ambiente S.r.l. o DRV S.r.l. o SER.I.T. S.r.l. o Società Igiene Territorio S.p.A. o TRANSECO S.r.l.	o AGSM Holding Albania Sh.a. (in liquidation) o EcoTirana Sh.a. o Società Intercomunale Ambiente S.r.l. o Valore Ambiente S.r.l.

Table 1 – Group Consolidated Entities

The scope of the 2024 Consolidated Sustainability Report of the AGSM AIM Group is broadly consistent with that of the 2023 Consolidated Non-Financial Statement prepared by the AGSM AIM Group pursuant to Legislative Decree 254/2016, except for changes that have occurred among the Group's subsidiaries. Specifically, all subsidiaries have been confirmed except for the addition of the following companies:

- Agisco S.r.l., 51% owned through the subsidiary AGSM AIM Smart Solutions s.r.l.;
- Bortoli Total Green S.r.l., wholly owned through the company AGSM AIM Power s.r.l.;
- Green Hydrogen Venezia S.r.l., 50% owned through the subsidiary AGSM AIM Power S.r.l., in partnership with the ENI Group, and proportionally consolidated.

Each of the companies within the reporting scope presents, in different ways, information relating to environmental, social, personnel, human rights and anti-corruption issues, which is useful to better understand business performance, its results and, above all, the Group's impact on these issues.

The companies listed below are excluded from the Consolidated Financial Statements' scope and, consequently, from the scope of the present Consolidated Sustainability Report, due to their minor shareholding and/or because the Parent Company does not exercise control or coordination over them:

- Agrilux S.r.l.
- Bovolone Attività S.r.l.
- Consorzio GPO
- Geothermal Triveneta S.r.l.
- Legnago Servizi S.p.A.
- Parco Eolico Monte Vitalba S.r.l.
- Soenergy S.r.l.
- Sive S.r.l.

This Consolidated Sustainability Report has been prepared under the coordination of the Company's Finance and Control Department: the information and data presented derive from documents officially adopted by the Company, its subsidiaries, and/or reports prepared by employees within the organisation. The reported data are shared, officially confirmed, tracked, and approved by the various competent Business Units and company Departments.

1.2. Business model and strategy

[ESRS_2, SBM-1, DP 40a, 40b, 40c, 40d, 40e, 40f, 40g, 42, 42a, 42b, 42c]

1.2.1 Our business model and value chain

With revenues of Euro 1.9 billion, an EBITDA of Euro 182 million, a workforce of 2,347 (including 1,447 in Italy and 900 at the subsidiary in Albania), and more than 893,000 customers supplied with electricity, natural gas, and heat, the AGSM AIM Group ranks among the principal multiutility companies in Italy.
AGSM AIM is a multiutility formed through the merger by incorporation on 1 January 2021 between AGSM Verona S.p.A. and AIM Vicenza S.p.A., resulting in the Parent Company AGSM AIM S.p.A. (hereinafter also referred to as the "Company"), a wholly publicly owned company. The company is 61.2% owned by the Municipality of Verona and 38.8% by the Municipality of Vicenza, territories in which the Group is historically and deeply rooted.
The AGSM AIM Group provides essential services and products with high added value for citizens and the development of companies, organisations and institutions in Italy. In addition, through its subsidiary EcoTirana, it offers waste collection and transport services in the capital of Albania.
The AGSM AIM Group is active in the following sectors:

- Sale of electricity, gas and heat
- Public and artistic lighting
- Generation of electricity
- Parking
- Cogeneration and district heating
- Telecommunications
- Electric mobility
- Electricity and gas distribution and metering
- Energy efficiency
- Waste management

Acting as a key aggregator, especially in the North-East of Italy, and thanks to the significant critical mass achieved post-merger, AGSM AIM aims to undertake investments that bring direct benefits to local communities, enhance the quality of services offered to citizens, and effectively address the challenges facing the public utilities sector.
AGSM AIM recognises the value of sustainable development and its role is characterised by both the multi-service nature and the regulatory and economic context of the sector, as well as the different demands that in each area of activity derive from the general objectives of customer satisfaction.
The integration process, started during the 2021 financial year and now completed has enabled the optimisation of the organisational structure of the AGSM AIM Group by creating six Business Units.
Extraordinary operations aimed at facilitating the simplification and rationalisation of companies operating in the waste collection, treatment and disposal sector continued during 2024. For further details regarding the aggregation process of the companies, please refer to section 1.10 "Significant events occurring after the end of the financial year" in the Report on Operations included in this Consolidated Financial Statements of the AGSM AIM Group for the 2024 financial year.

[ESRS_G1, DR GOV-1 DP 7, 9]

"We are close to customers and the territories served. We interpret their needs and support their growth by offering quality services through integrated management of energy resources. We are driven by innovation, reliability, respect and constant attention to people, the environment and society."
The values on which the AGSM AIM Group bases its strategy are as follows: reliability, development, teamwork and innovation.

- **Reliability:** Be a tangible point of reference, build trust and care customers and people;
- **Development**: Be agile and flexible, for the continuous improvement of the company;
- **Teamwork**: Be a united and cohesive group, working together to achieve common objectives;
- **Innovation:** To be pursued with responsibility to build the future while respecting people, the environment and the society.

As part of its business activities, the AGSM AIM Group considers it essential to carry out actions in line with the declared intentions and corporate values and rules. Furthermore, it considers fulfilling commitments important, seeking solutions to solve problems, communicating and acting with transparency in order to foster the engagement of stakeholders and, as a consequence, nurture their confidence.
To develop its activities, the Company embraces every new opportunity with courage, with the aim of pursuing the result with perseverance, passion and attention to the quality of the services offered.
In pursuit of its Mission, the AGSM AIM Group has adopted its Code of Ethics, which sets out the general principles and rules of conduct that the people operating in the name and on behalf of AGSM AIM are inspired by when carrying out their activities. The ethical principles adopted by the AGSM AIM Group are listed below:

- fairness, loyalty, integrity, honesty and transparency in managing relations with counterparties and with the Group's own employees;
- fighting corruption in order to avoid any illegal act or offence;
- respect for and optimisation of people as the vital factor for the company's growth and business continuity;
- the protection of the corporate image in order to safeguard the Company's good reputation and credibility;
- efficiency of each work activity in pursuit of the cost-effectiveness of using company resources;
- fair competition avoiding deceptive behaviour;
- a spirit of service for all corporate initiatives aiming to pursue a high social value useful for the community;
- confidentiality of information and protection of personal data in the instruments and methods;
- impartiality in relations with stakeholders, avoiding any form of discrimination or favouritism inside or outside of the Group;
- recognition of individual responsibility for performing the work activity;
- quality of the services provided in order to constantly meet customers' requirements.

The provisions of the Group's Code of Ethics are binding, with no exception, for the Directors, the employees and for all those who directly or indirectly establish relations with it, whether permanently or temporarily (collaborators, consultants, agents, attorneys or anyone else operating in the name, and on behalf, of the Company). The Code of Ethics is published on the website agsmaim.it, distributed internally and promoted through specific company training.

Being a Group means respecting others, their ideas and their identities, and being able to enhance the diversity of everyone.

The Group aims at careful and responsible innovation as the foundation for looking at the future of the business, generating connections with the surrounding ecosystem and ensuring overall awareness for common benefit. The objective to be pursued by the Group has become "*to improve the quality of life of people and create value for the territories, build a better future by promoting innovation, development and sustainability*."

1.2.1.1 Electricity Generation

The AGSM AIM Group's electricity generation plants use both renewable sources (hydroelectric, wind, and photovoltaic) and traditional fossil fuels (thermoelectric and cogeneration through gas combustion). The Group's production sources of **renewable energy** comprise a total of 157.9 MW of installed power, unevenly distributed between:

- photovoltaic plants (32.1 MW);
- wind plants (58.4 MW);
- hydroelectric plants, further divided into reservoir-based (54.2 MW) and run-of-river (13.1 MW) facilities.

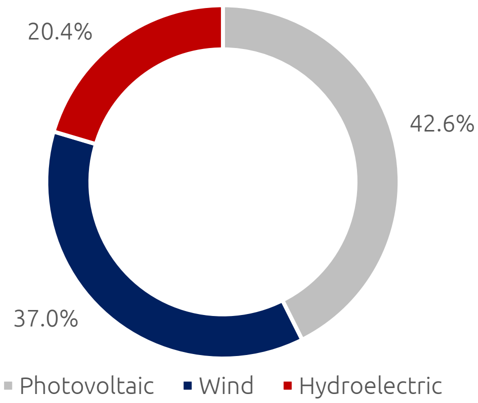


Figure 1 – Installed Renewable Energy Capacity Mix

The Group's production sources of **non-renewable energy** consist of 251.6 MW of installed power divided into:

- thermoelectric plants (190.0 MW)[11];
- cogeneration plants (61.6 MW).

The electricity generated from renewable energy plants amounts to **317,593 MWh** and represents **56.6%** of the total energy produced by the Group's power plants. The energy produced from non-renewable sources [12]amounts to 243,323 MWh.

[11] Portion owned by the AGSM AIM Group equal to 50% of the Ponti sul Mincio thermoelectric power plant.
[12] The non-renewable production value is achieved through the Group's share at the Mincio Thermoelectric Power Plant (65,008 MWh) and at various heat and electricity cogeneration plants (178,315 MWh).

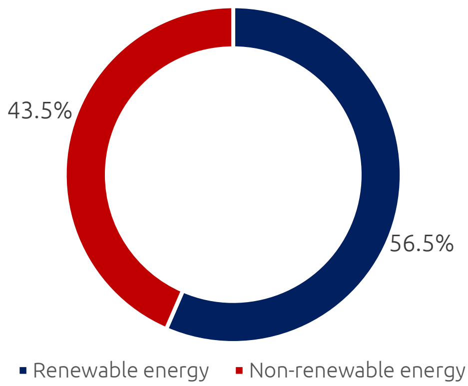


Figure 2 – Electricity production mix

In total, hydroelectric production increased by 72.3% compared to the previous reporting period. In particular, the two reservoir plants at Maso Corona and San Colombano benefited from the frequent rainfall that characterised the entire first half of the 2024 fiscal year as well as the months of September and October.
During the reporting period, wind power production was affected by faults in the wind turbines at the Carpinaccio and Riparbella plants, resulting in a total downtime of 23 months across three turbines, as well as a fault in November at the Monterenzio plant following severe weather.

On the other hand, electricity production from photovoltaic plants saw a modest increase of 2.1% compared to the previous year, hindered by the low sunlight levels this year, which affected all plants located in northern Italy. During the 2024 financial year, the restoration activities continued in the plants located in Abruzzo and Marche, with the trackers being removed and fixed to the ground.
Additionally, in December, the Borgonovo and Calendasco plants were connected, adding a total of 9.5 MW of additional installed capacity.

Finally, the electrical sector of the cogeneration plants, as well as the thermoelectric plant at Ponti sul Mincio, was particularly affected by the unfavourable energy market conditions. This, combined with an increasing supply of electricity from renewable sources (especially in the hydroelectric sector), prevented the engines from being started during the less favourable periods, resulting in reduced electricity production.

1.2.1.2 Cogeneration Production for District Heating

The Group, through its subsidiary AGSM AIM Calore, produces and distributes heat to customers connected to the district heating network in the municipalities of Verona and Vicenza. In particular, the company operates eight cogeneration plants with natural gas energy input, a geothermal well, and an extensive district heating network of about 200 km that distributes heat to more than 140 inhabitants for a total of 225,838,402 Mcal.
District heating is provided to users connected by the six networks, almost all of which are operated by natural gas cogeneration plants with a total installed electricity input of 61,597 kWe and an installed thermal input of 348,300 kWt. The amount of thermal energy delivered to the network over the course of 2024 reached 309,327,675 kWht.
In general, managing district heating plants has the primary objective of maximising the energy transformation yields of heat and electricity generation equipment, in order to ensure compliance with mandatory regulations and minimise the impact of emissions, thus improving environmental performance.
Cogeneration plants associated with district heating networks owned by the AGSM AIM Group are subject to the “Emission trading” Directive – EU 2003/87/EC and subsequent amendments updated by Directive (EU) 2018/410, establishing the greenhouse gas “emissions market”.

For two of the eight cogeneration plants (Golosine and Forte Procolo Power Plants), in relation to the characteristics of their production capacity, AGSM AIM opted out of the emission trading regulation. For these plants, there is no allocation of quotas or obligation for restitution, but there are emission limits and annual compensation requirements. For the 2024 financial year, no compensation obligations are expected.

The solar thermal plant, with an approximate thermal capacity of 1.2 MW located at the Borgo Trento cogeneration plant, produced 796.71 MWh of thermal energy supplied to the Borgo Trento and Forte Procolo networks during the financial year. The plant enabled a natural gas saving of 91,433 standard cubic metres, equivalent to 185 tons of CO_2 avoided.

In the coming years, AGSM AIM Calore plans to invest more than Euro 50 million with the aim of further extending the district heating network in the cities of Verona and Vicenza, thereby increasing the thermal energy sold. With a view to energy transition, the geothermal source available in the city of Vicenza will be exploited. All this will enable the Group to achieve a leadership role in the energy management of buildings in the reference territories by proposing an integrated offer.

Revamping of the cogeneration plant in Borgo Trento

In order to make a tangible contribution to achieving the United Nations Global Development Goal on "Climate action" (SDG 13), the AGSM AIM Group has launched the revamping project of the Borgo Trento cogeneration plant in Verona, which envisages the replacement of the combined cycle, with a new plant set-up that is the result of a careful technical-economic analysis carried out during the project feasibility planning.
Under the project, the architecture of the existing system will be substantially maintained, with the replacement of the combined cycle and a new plant set-up featuring:

- two cogenerators with an electrical input of between 11 and 13 MW and a thermal input of between 10 and 13 MW;
- four storage tanks capable of storing up to 800 m3 of water at 105°C;
- a boiler with an emergency function for cogenerators fired by natural gas, with a rated thermal input (pursuant to Article 268 of Legislative Decree 152/2006) of between 13 and <15 MW.

The cogeneration engines will be equipped with a computerised automatic system to control combustion efficiency and support the prevention and/or reduction of emissions. The two engines will also adopt the "lean burn" technique, whereby the peak temperature in the flame is controlled by lean burn conditions, which is the main combustion mode to limit the formation of nitrogen oxides (NOX) in gas engines.
In order to assess the improvement brought about by revamping the power plant in terms of emissions into the atmosphere, a comparison was made between the pre-intervention situation and the post-intervention forecast simulation. When fully operational, the revamping project will reduce CO2 production by at least 8% compared to the pre-Covid average figure recorded during 2019, which was 56,750 tonnes of CO2 (an average figure considered representative of the normal operation of the cogeneration plant). According to the project simulation developed, the target emissions for 2025 will therefore be 52,210 tonnes of CO_2 or less.
During the 2024 financial year, the Borgo Trento cogeneration plant emitted 55,254 tonnes of CO_2 into the atmosphere, marking a 3% reduction compared to the previous year.
Revamping works will continue throughout the 2025 financial year, enabling the new plant configuration to become fully operational and achieve the expected CO_2 emissions reduction of up to 8.0% compared to the original setup.

1.2.1.3 Electricity and Natural Gas Distribution

In the AGSM AIM Group, the distribution and metering service for electricity and natural gas is carried out by the distribution company V-Reti S.p.A. in compliance with the rules of functional unbundling for vertically integrated companies in the sector, in compliance with the principles of cost-effectiveness, profitability and confidentiality of company data.

The consolidated experience in distribution makes V-Reti a reliable company with strong technical skills. The company looks to the future by committing to significantly increasing investments with the goal of generating direct benefits for the territories served, improving the quality of service offered to citizens and effectively responding to the challenges faced by the public utility service sector.

V-Reti among the most virtuous distribution companies in Italy

The average annual duration of interruptions was below 13 and a half minutes for residents of Verona and Grezzana, and 14.35 minutes for those in Vicenza, compared to the regulatory target of 28 minutes. The average number of annual interruptions per customer was 1.19 in Verona and Grezzana and 1.3 in Vicenza, against a target of 1.2 interruptions per year.
These are the two main indicators recorded by V-Reti in 2023, confirming the distribution company as one of the most outstanding in Italy in terms of service standards and quality.
Results exceeded the targets set by ARERA – Italian Regulatory Authority for Electricity, Gas and Water – achieved also thanks to ongoing and increasing investments in the electricity networks, which totalled 41.9 million Euro in 2023. Exceeding the expected targets allowed V-Reti to receive a Euro 117 reward from ARERA for the duration indicator and Euro 107 for the number indicator.

With constant commitment and presence, the AGSM AIM Group continuously guarantees the supervision of electricity and gas distribution networks and works to maintain the highest levels of safety standards and continuity of the service.

Electricity distribution service

The entire supply chain of the electricity market is composed of the following five phases:

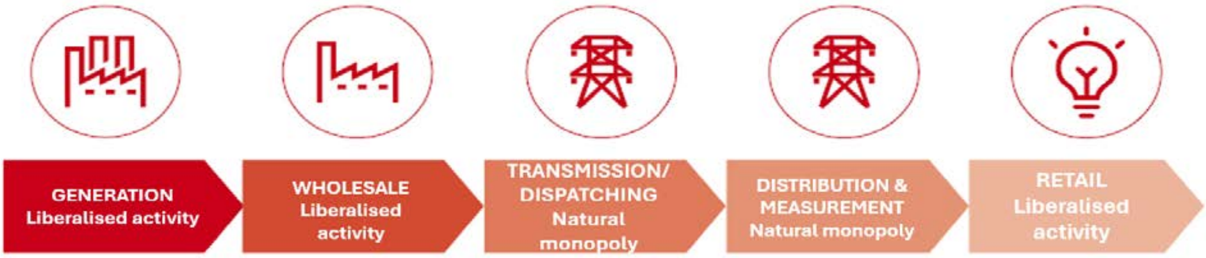


Figure 3 - Electricity supply chain phases

V-RETI mainly carries out the transformation, distribution and measurement of electricity throughout the Municipalities of Verona, Vicenza and Grezzana with an extension of about **4,622 km** between Low Voltage (LV), Medium Voltage (MV) and High Voltage (HV).

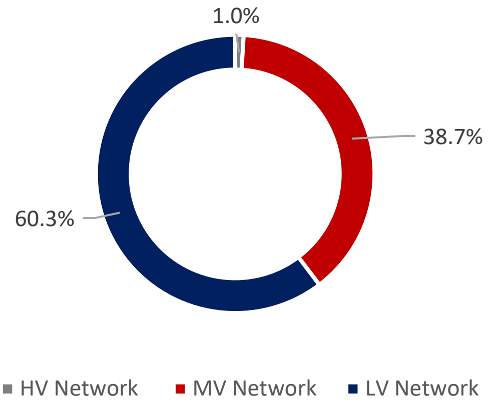


Figure 4- Electricity network extension (Km)

The **electricity fed into the grid** during 2024 totalled **2,766,852 MWh**, distributed across low, medium, and high voltage levels.
In 2024, the number of PODs (Points of Delivery) managed by V-Reti for the distribution of electricity to the end user is equal to 316,687, of which 81% corresponds to PODs carried with active supply.
The number of meters connected to the distribution network reached **280,541** in 2024, of which 90.2% were active. During the reporting period, the AGSM AIM Group continued to replace and modernise its electricity meters.
2G meters play an essential role in achieving the objectives of decarbonisation and efficient energy use and meet the constantly changing needs of the electricity industry. The V-Reti meter replacement project will ensure prompt and reliable metering of consumption, facilitate its control by end customers, allow the reduction of adjustments and an improvement in the service quality.

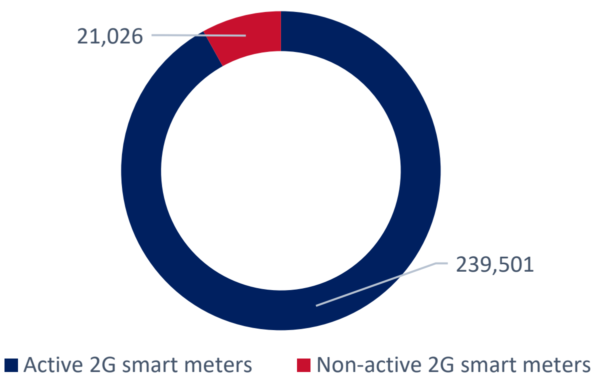


Figure 5 – 2G smart meters

The Commissioning Plan of the 2G smart metering system (PMS2) planned by V-Reti complies with the functional specifications defined by ARERA with resolution 87/2016/R/eel, adopted in implementation of the provisions of Italian Legislative Decree no. 102 of 4 July 2014, which transposes European Directive 2012/27/EU on energy efficiency and improvement for the entire national electricity system.
In order to inform the public and local stakeholders about the plan to replace electricity meters in the municipalities served by V-Reti, the **"Contatore 2G, Uno di Famiglia" (2G Meter, One of the Family)** communication campaign was created.

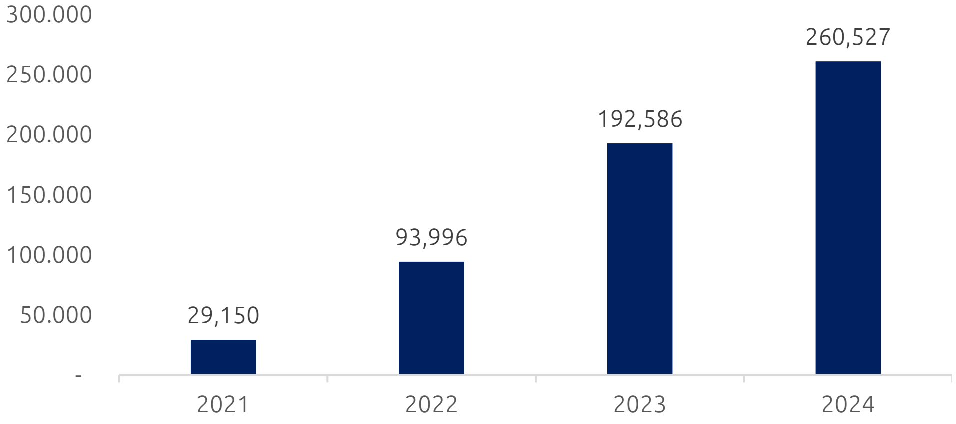


Figure 6 - 2G smart meter replacement progress

During the 2024 financial year, the distribution company of the AGSM AIM Group received a prestigious award from ARERA, which granted a prize of 260,000 Euro for implementing resilience measures that improved the quality of the electricity service in the municipality of Vicenza.
Specifically, V-Reti's activities focused on a number of electrical substations located in the San Pio X district, the Stadio and Piarda areas, the Stanga neighbourhood, and the industrial zone of Vicenza, which had previously been prone to water infiltration during bad weather, often causing outages and service disruptions for residents and local businesses. These conditions not only jeopardised the electricity supply but also required significant extraordinary maintenance work, increasing the burden of managing the electrical infrastructure.
Through advanced engineering solutions and a safety plan, V-Reti has carried out structural interventions that now protect the substations from flooding, thereby enhancing the network's resilience and service stability even during extreme weather events.

During the reporting period, V-Reti also implemented the ADMS (Advanced Distribution Management System), a new operational system designed to optimise the management of electricity distribution networks. This platform represents a significant innovation in the automation and remote monitoring of network infrastructure, enhancing both service continuity and safety. The ADMS system will enable more efficient control of the electrical distribution networks, reducing response times in the event of faults, particularly on medium and low voltage lines.

Quality of the electricity distribution service

The quality of electricity distribution and metering services is defined by the Italian Regulatory Authority for Electricity, Gas and Water (ARERA) in the "Integrated Output-Based Regulation of Electric Power Distribution and Metering Services (TIQE)" (Res. 566/2019/R/eel) for the period 2020-2023 and regulates the continuity of the service, the specific and general levels of commercial quality and the selective promotion of investments in distribution networks.
Compliance with commercial quality standards is constantly monitored through the use of dedicated software that can transmit alerts at the same time as every anomaly that is recorded and may generate an order for automatic compensation to be paid.
In 2024, V-Reti was **99.5%** compliant with the specific commercial quality standards for electricity.

Natural gas management and distribution service

The distribution service carried out by V-Reti guarantees the withdrawal of methane gas from Snam Rete Gas pipelines and transport, through local networks, for delivery to end users.
V-Reti carries out the natural gas distribution service in the following municipalities:
- Verona and in the province in Badia Calavena, Illasi, Selva di Progno and Tregnago and, for a small number of users, in Bussolengo, Buttapietra and S. Giovanni Lupatoto;
- Vicenza and in the province in Altavilla Vicentina, Altissimo, Arcugnano, Arzignano, Bolzano Vicentino, Bressanvido, Chiampo, Creazzo, Crespadoro, Grumolo delle Abbadesse, Longare, Montegalda, Monticello Conte Otto, Nogarole Vicentino, Pozzoleone, Quinto Vicentino, S.P. Mussolino, Torri di Quartesolo, Villaverla and Nanto;
- municipality of Goito in the province of Mantua;
- municipalities of Gazzo and Grantorto in the province of Padua;
- Treviso on behalf of the Parent Company, holder of the service concession.

Using its own infrastructure, V-Reti also supplies other municipalities (Costabissara, Caldogno, Carmignano del Brenta, Dueville, Thiene) where it manages the so-called "overruns", i.e. those residual groups of users who connect to the network because of their proximity.

The gas network managed by the AGSM AIM Group extends for **3,244 km.** The infrastructure for the distribution of gas resources is made of different materials, the choice of which comes from technological and performance requirements.

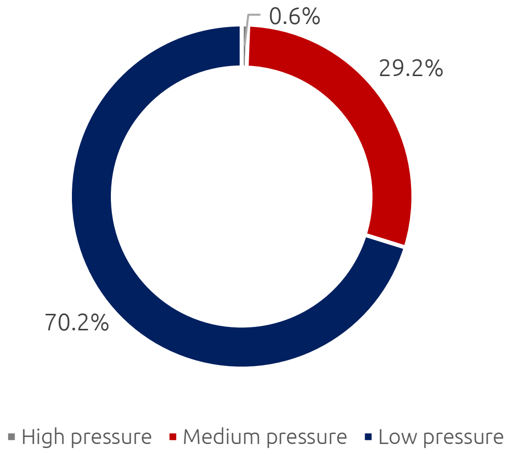


Figure 7 - Gas network extension (Km)

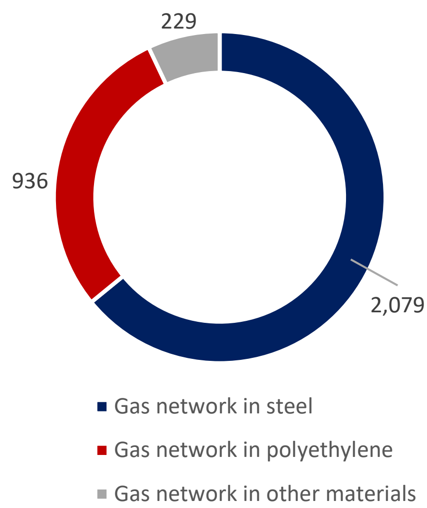


Figure 8 - Gas network pipelines (Km)

The AGSM AIM Group is committed to reducing leaks by gradually renewing the network. The correct management of gas distribution systems and networks, the usage of competent resources and the use of suitable instrumentation, together with continuous monitoring, are the main elements to guarantee the safety of citizens, preventing potential impacts and accidents. During 2024, the AGSM AIM Group distribution company managed **354,867 Redelivery Points.** The volume of gas fed into the distribution network during 2024 is **503.3 million Scm.**
During 2024, investments in modernising the network's infrastructure led to an important campaign to replace traditional meters (active and non-active) with the so-called "smart meters", latest generation electronic meters with remote control features, as well as a digitisation campaign to increase resilience and achieve energy savings. Smart meters managed by V-Reti amount to 297,050 and represent over 92% of the meters managed by the AGSM AIM Group.

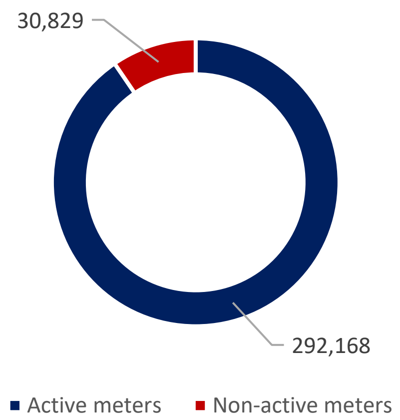


Figure 9 – Smart meters

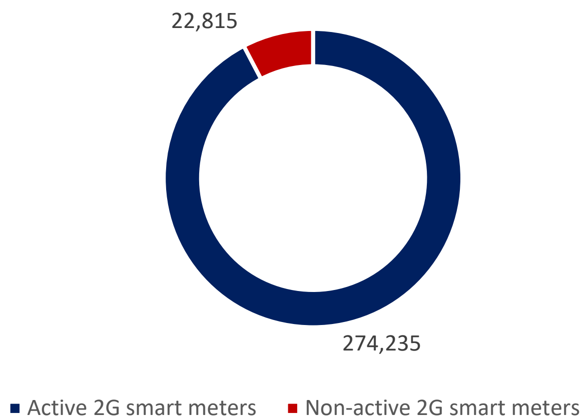


Figure 10 – Meters managed

The dispersion of methane gas in the atmosphere is one of the elements that has the greatest impact on the environment and on safety during normal operation of the gas distribution service. Methane gas, which is naturally odourless and colourless, is constantly odorised in the collection and metering plants, through a controlled and tested procedure, so that humans can smell it in the event of a leak or of accidental use and thus limit the risk of harmful or dangerous phenomena. It represents both a dangerous element because of its flammability, and a polluting element because of the high capacity to retain terrestrial infra-red radiation, which classifies it as a greenhouse gas. For these reasons, the containment and resolution of gas dispersion represent the main aim on which the safety, quality and continuity of the service are based. In order to monitor these risks, the principal monitoring systems distributed are remote control systems that monitor the

distribution system's key parameters, and the alarm systems that discourage or give warning of intentional acts. Moreover, planned checks are constantly made for any gas leaks from piping, together with the routine and extraordinary maintenance of the networks.
It should also be noted that from the 2024 financial year, V-Reti has adopted and implemented the Picarro Advanced Leak Detection system for gas monitoring: this technology is capable of identifying any gas leaks along the distribution network, with a detection sensitivity reaching one part of gas per billion. Picarro allows for more precise detection and resolution of gas leaks, thereby enhancing the quality of service and the distribution network. The system includes a device to be installed on a vehicle, called the Surveyor, along with three portable devices (known as Picarro Energy Backpacks) entrusted to distribution service operators. The Surveyor instrument uses cavity ring-down spectroscopy to measure the composition of atmospheric gases and pinpoint areas where potential gas leaks may occur. The Picarro Energy Backpacks provide even more precise measurements of methane and ethane levels in the environment: using the same technology as the Surveyor device but in a miniaturised form, these "backpacks" are employed by operators during on-foot inspections.

White Certificates (Energy Efficiency Certificates)

The White Certificates or **Energy Efficiency Certificates (EEC)** are tradable securities that certify the energy savings achieved in end uses of energy, implementing measures to increase energy efficiency. The promotion of **energy savings** through the system of the **White Certificates** is provided for by the Ministerial Decrees of 20 July 2004 (Ministerial Decree 20/7/04 on electricity, Ministerial Decree 20/7/04 on gas, as amended).
"Obliged" distributors of electricity and natural gas are expected to meet certain targets each year in terms of energy savings, measurable in Tonnes of Oil Equivalent (TOE) saved; each **White Certificate is equivalent to savings of one Tonne of Oil Equivalent**.
In 2024, ARERA awarded the Group 7,016 white certificates for electricity distribution and 24,217 for natural gas distribution.
In addition to energy distributors, other **voluntary parties**, typically energy service companies (ESCOs) or companies that have appointed a certified energy management expert (EGE) may also participate in the mechanism.
The voluntary parties are all the operators that freely **choose to carry out consumption reduction measures in end uses of energy**, and to whom the right to receive the corresponding quantity of white certificates is assigned.

Quality in natural gas distribution service

To distribute natural gas, V-Reti manages the transport of gas through local pipeline networks, for delivery to end users through two phases:
I. the pick-up of gas from Snam Rete Gas' pipelines through first-stage pick-up points;
II. transport and distribution to end users.

Gas distribution activities are carried out by the AGSM AIM Group according to the rules of functional unbundling envisaged for vertically integrated companies in the sector, in compliance with the principles of economy and profitability and the confidentiality of company data for the purpose of promoting continuity, efficiency and adequate quality levels in the service provided.
The natural gas distribution service makes reference to the commercial quality parameters set by ARERA. In 2024, the minimum times and levels required by the Gas Distribution Service Quality Regulation (RQDG) were widely complied with. With reference to the AGSM AIM Group's distribution companies, commercial quality standards were 98.8% complied with in 2024. The average time for activating the supply corresponds to 3.21 days while the average time for reactivating the supply following suspension due to lack of payment is 1.13 working days.

1.2.1.4 Smart services

AGSM AIM Smart Solutions is the Group company pursuing the mission of facilitating the transition towards electrification of the territories served through innovative and smart solutions. Its areas of expertise include electric mobility, public lighting, telecommunications, management of car parks and energy efficiency solutions for buildings.

Innovation and sustainability drive AGSM AIM Smart Solutions' choices, activities and projects. On the public lighting front, the Company manages around 82 lighting points, 90% of which are LED, thus ensuring efficiency, energy savings and compliance with light pollution directives. Furthermore, to enhance the smart approach of Verona and Vicenza, it is committed to expanding its electric mobility offer by increasing the number of charging stations in the area.

AGSM AIM Smart Solutions is a partner of local communities to support them in their energy transition through five business lines:

1. connectivity and telecommunications
2. public lighting
3. energy efficiency and redevelopment of public buildings
4. electric mobility and pay parking area management
5. smart city services for the territories and communities

The company focuses on innovation and the green economy by providing robust development models for all the services offered with the aim of accompanying the public administration in the energy and digital transition and by supporting local communities with its effectiveness in managing energy efficiency projects and its expertise in managing complex projects such as the redevelopment in public buildings.

Electric mobility

Sustainable mobility plays an important role not only in terms of the smart growth of the city but more generally for implementing a truly sustainable approach for the community and the territory.
In this regard, AGSM AIM Smart Solutions proposes the creation of charging systems for electric vehicles and parking spaces dedicated to their parking and hardware and software system management for remote control and the use of charging stations by customers.
The Group actively contributes by proactively participating in the transformation of city mobility through the AGSM AIM E-MOBLITY project, a new service that uses modern charging infrastructures and a new digital platform to promote public electric mobility.
During 2024, AGSM AIM Smart Solutions' 227 public charging sockets delivered a total of 733 MWh.
The charging service can be activated by the end customer through the "AGSM AIM E-mobility" application and manages the entire car charging process, from the identification of the stations to the start of the service and its completion.

On the AGSM AIM stations, the charging session is available for a maximum of 300 minutes, with the obligation to move the car within one hour of the end of the service. On the other hand, at night, the car can be parked with the cable connected from 11.00 pm to 7.00 am.

In the event of a request for technical assistance or to report anomalies, customers can contact the Call Centre, available 24 hours a day, at the toll-free number 800 133 966. The call centre service is carried out by technical staff who can speak four languages: English, German, Spanish and French.

AGSM AIM has extended its commercial offer by introducing a subscription formula for the electric vehicle charging service. The solution, which can be activated directly from the dedicated APP, is added to the already existing pay per use rate, which saves money and charging time.

Purchasing the subscription allows users to top up their electronic wallet with the amount of energy, expressed in KWh, depending on the type of subscription chosen, available and valid for 30 calendar days from subscription. The subscriptions can currently be used at AGSM AIM Smart Solutions charging stations enabled for the public charging service.

The formula offered by the AGSM AIM Group includes three subscription sizes available to meet the various needs of customers who use public charging stations.

- **Small**: valid for 30 kWh
- **Medium**: valid for 75 kWh
- **Large**: valid for 150 kWh

The AGSM AIM Group also expanded the interoperability with other electric mobility operators, guaranteeing the possibility for customers of other national and European operators to recharge their electric vehicles on the AGSM AIM Smart Solutions infrastructure, provided that they have joined the European Hubject circuit and have signed the service acceptance. This service allows occasional users such as tourists or visitors to recharge their cars in the AGSM AIM Smart Solutions stations directly with their provider's app. Occasional users or customers of other operators can find the AGSM AIM Smart Solutions infrastructure through the "AGSM AIM E-mobility" app.

Public Lighting

The AGSM AIM Group, through AGSM AIM Smart Solutions, manages the operation and standard maintenance of the public lighting service in a number of municipalities in the provinces of Verona, Padua, Rovigo, Belluno and Vicenza.

VERONA	PADUA	ROVIGO	VICENZA	BELLUNO
Affi	Battaglia Terme	Costa di Rovigo	Posina	Alleghe
Angiari	Castelbaldo			Arsiè
Arcole	Cervarese Santa Croce			Chies D'Alpago
Bonavigo	Massanzago			San Gregorio nelle Alpi
Casaleone	Merlara			Alpago
Castagnaro	Mestrino			
Castel D'Azzano	Piombino Dese			
Cerro Veronese	Rovolon			
Isola Rizza	Torreglia			
Legnago	Urbana			
S. Mauro di Saline	Veggiano			
Verona	Villa Estense			
Villa Bartolomea	Pontelongo			
Valeggio sul Mincio				

Table 2 – Municipalities where the public lighting service is managed

In 2024, AGSM AIM Smart Solutions continued the management service for the public lighting network (1,052 km) in the Municipality of Verona, where the asset is owned by the AGSM AIM Group.
The Smart Solutions Business Unit has also signed several concessions with other municipalities to upgrade the public lighting system to LED, as well as for operation and maintenance for medium-long periods, with the task of designing and replacing the gas-discharge lamps with LED lamps. In addition, there are plans for the next phase of the public lighting service and for the operation and maintenance/remote control with troubleshooting and service restoration activities.
AGSM AIM Smart Solutions directly deals with the construction, design and maintenance of local public lighting systems by using the latest generation technologies, ensuring the reduction of energy consumption, the containment of light pollution and respect for the environment.
All the new systems are provided with lighting equipment able to offer performance that complies with the regulations prohibiting the emission of upwards light to eliminate the effects of light pollution.
There are 81,764 Group lighting points managed throughout the service, of which 73,503 are energy-saving LED lights. 90% of the lighting points operated by AGSM AIM Smart Solutions were upgraded to LED.
The sustainable nature of the service is highlighted by the huge saving in terms of not only light pollution, but also greenhouse gas emissions saved.
The main values that characterise the public lighting service include:

- the strong emphasis on innovation, thanks to using increasingly efficient technologies that ensure low consumption and high quality;
- reliability for quick actions to solve faults;
- sustainability in reducing environmental pollution;
- the timely management of current plants with the prospect of expanding into new territories.

Telecommunications

The AGSM AIM Group operates in the provinces of Verona and Vicenza through a complex fibre optic telecommunications infrastructure. The optic infrastructure stretches throughout the city areas and also reaches the main population centres in the Provinces of Verona and Vicenza for a total length of approximately 684 kilometres.
The telecommunications network of the AGSM AIM Group is designed to collect data traffic in urban and non-urban areas, providing the public administration, TLC operators and businesses with a portfolio of services featuring high levels of reliability and performance.
In the Vicenza area, the optical fibre network is sold in the "dark fibre" mode by national telecommunications operators, which in turn use it to provide private e-business customers with broadband telephone and telematic connectivity services in the FTTC (Fibre To The Cabinet) and FTTH (Fibre To The House) modes.
The main connections to the network include: AGSM AIM offices in the Vicenza area, SVT offices, Viacqua offices, Municipal Administration, Provincial Administration, Car parks, Electricity Substations, US Military Bases, Vicenza Trade Fair, Court, Hospital, University, Vodafone Cabinets and 5G network.
From an infrastructural point of view, the telecommunications network employed is generally of the ring variety, thus reducing to a minimum any inefficiencies due to faults.

AGSM AIM Smart Solutions also manages optical fibre connections among various company offices of the Group and the computer systems adopted to safeguard the technological network used to monitor and control operations. The response service is available for 24 hours a day, 365 days a year.
The telecommunications network of the Group has a special feature that distinguishes it from other similar networks. It is in fact a fully private network that connects the various users in point-to-point mode, employing one optical fibre for each user point. This allows completely isolated data transmission within the network in order to guarantee a very high level of security and confidentiality of the transmitted communications and data.
In the Verona area, the optical fibre network managed by AGSM AIM Smart Solutions is a telecommunications infrastructure that makes use of the capillarity of the subsoil to achieve high coverage in the area.
The service extends across five municipalities, starting from Peschiera del Garda, passing through Verona and reaching Vicenza. A route also starts from Verona that reaches, through the high voltage lines, the Ala power plant.
The metropolitan network is divided into 10 POPs (Points of Presence) connected to each other in a ring to allow high reliability in the event of a section failure.
Through the "RST – Local Services Network", high value-added services are provided, such as:

- VMPs (variable message panels) that provide public utility information to citizens and visitors;
- Number plate reading systems;
- Traffic lights that use the network for traffic programming by detecting active traffic, together with coils placed under the asphalt;
- Emergency call boxes. A network of safety points available to the community;
- Limited Traffic Zone gates controlling access to the city centre of Verona;
- Security cameras. Over 170 cameras guaranteeing constant monitoring by the local police and the police headquarters through the remote viewing of images by means of an optical fibre connection;
- Public Wi-Fi. The connection (freewifi@verona) is provided in the city's main areas as a public service to access the Internet. Under specific agreements, the service is also distributed to the Integrated University Hospital (hospitals of Borgo Trento and Borgo Roma) and to the Verona University. Almost 3,000 antennas provide daily access to thousands of citizens and tourists;
- Public utility sites. The collaboration with the Municipality of Verona made it possible to bring the internet to the public sites of primary interest. To name but a few: libraries, museums, theatres and public buildings.

AGSM AIM Smart Solutions is an Internet Service Provider and a telephone operator which enables the provision of high-content digital services to customers:

- redundant internet bandwidth services via the main national routes;
- Domain Maintainer services (use of public IPs and Domain registrations);
- Lan-to-Lan Transport services for multi-site access;
- perimeter Firewalling services with security management;
- network design and operation;
- sensor and camera installation and maintenance;
- dark fibre;
- Housing services.

For the 54 customers who have signed a contract with the company, the toll-free number 800 394.800 and a 24-hour/365-day support and maintenance service are available.
Customers of the telecommunications service fall into three main categories:

- Public Administrations (e.g. several municipalities, including Verona);
- small/medium/large businesses in the territory;
- telephone operators using the Group's fibre (active or dark) for the services they provide to their customers.

During the reporting period, AGSM AIM Smart Solutions handled 1,196 tickets relating to reports and/or service requests from customers.

The infrastructure development plan provides for the use of existing networks and cable conduits owned by the AGSM AIM Group.
This synergy will reduce excavation activities to lay new cables, limiting the impact on the territory and the inconvenience for citizens.
The 2024 financial year strengthened the Group's activities and commitment to developing infrastructure and digital services supporting the integration of digital technologies, such as the "169 MHz Network" deployed across the territory, which uses radio technology to collect service data and information.

Car parks and car parking services

AGSM AIM Smart Solutions manages ground-level and underground car parks and free and paid parking areas in the City of Vicenza.
The AGSM AIM Group manages a total of 2,352 parking spaces, including 1,574 barrier car parks and 778 pay-and-display (blue-marked parking spaces). During the reporting period, 819,574 vehicles entered the barrier car parks managed by the Group.
AGSM AIM makes paying for parking on blue-marked parking spaces and in barrier car parks convenient but above all smart by providing various circuits that can be used from mobile phones through free apps, available for both Android and iPhone. Blue-marked parking spaces in the city of Vicenza can be paid, as well as in cash, in the appropriate parking meters,

also by smartphone, through active apps such as EasyPark, MyCicero and AIMFACILE, a customised app for parking in the Municipality of Vicenza.
In order to innovate and make parking easier in controlled car parks, AGSM AIM Group activated the "POSsibile" payment service on the city's four barrier car parks. Vicenza was the first Italian city to introduce this "Card in – Card out" contactless payment system, which is based on the use of a credit/debit card and a smartphone for access. POSsibile makes it possible to avoid using cash and having to get out of the car while paying. This system, the first of its kind in Italy, can be used by all those who possess a contactless card, and does not require any registration or pre-authorisation.
The barrier car parks managed by AGSM AIM Smart Solutions are equipped with POS readers where payment can be made with electronic cards, making the payment process easier and faster.

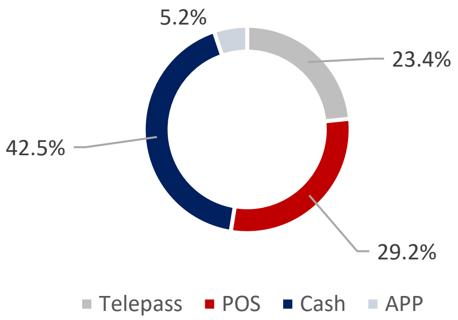


Figure 11 – Payment methods

In order to ensure accessibility to the parking service for all citizens and the correct rotation in the paid parking areas, AGSM AIM Smart Solutions has activated maintenance and emergency services for the payment devices (parking meters and automatic tellers) and control on the regularity of the parking, with the possibility of issuing the penalties under applicable regulations.

1.2.1.5 Environmental services

The AGSM AIM Group, through the company AGSM AIM Ambiente and its subsidiaries, deals with the collection, treatment, recovery of waste and urban health. The Group is also committed to the development and strengthening of material treatment plants with the aim of optimising the management of waste flows.
In carrying out its activities, the Group is committed to new circular economy models. Both in the waste sorting and treatment sector and in the plant sector, the Company is aware that the transformation and valorisation of waste materials is a necessary resource to support the sustainability of our industrial system.
Furthermore, AGSM AIM Ambiente aims to ensure the sustainable quality of the services offered by eliminating, or at least minimising, any malfunctions or disruptions. The level of service is achieved thanks to an infrastructure network closely related to the territory, which guarantees speed and control.

Waste collection

The AGSM AIM Group, through its subsidiaries Valore Ambiente, SERIT. and EcoTirana, takes care of waste collection and disposal, with particular attention to sorted waste collection, recycling processes and proper disposal. The collection of urban waste is mainly managed through door-to-door collection systems and roadside and mixed collection systems.
The method of waste collection is also diversified based on the real nature of the territory served and the characterisation of the users, in particular supplementary home services for specific types of waste are active for non-domestic users.
In the Municipality of Vicenza, residual urban waste is collected at the Monte Crocetta transfer platform (where it is subject to sorting and/or shredding operations) and then sent to the two final plants of the area, i.e. the Schio waste-to-energy plant, not owned by the AGSM AIM Group, and the Grumolo delle Abbadesse landfill, managed by SIA.
During 2024, the companies of the Environment Business Unit collected 533,579 tonnes of urban waste in the 60 municipalities served with about 540 inhabitants.

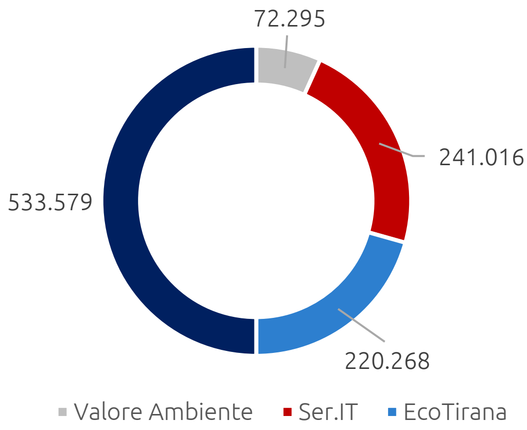


Figure 12 – Waste collection (tonnes)

As part of the waste collection activity, the AGSM AIM Group provides citizens with the mobile recycling service, that is, a mobile rubbish container placed daily near local markets and predisposed for the collection of seven particular types of waste: small household appliances; used clothes; batteries; expired medicines; flammable and dangerous waste; neon and low energy consumption lamps. In addition to the practical waste collection function, mobile recycling serves as a communication vehicle for raising awareness among citizens.
In order to promote the proper collection and disposal of bulky waste, the AGSM AIM Group provides citizens with a bulky waste collection service at home with the collaboration of social cooperatives in equipped recycling plants.

Finally, the AGSM AIM Group carries out a service for monitoring the "abusive" collection of abandoned waste outside the relevant containers.
The Collection Centres are at the service of all domestic users for the correct disposal of bulky and recyclable waste. The Group companies directly manage 20 collection centres, 4 in the Vicenza area and 14 in the Verona area. The four recycling centres active in the Municipality of Vicenza and managed by Valore Ambiente are at the service of all domestic users for the correct disposal of bulky and recyclable waste. Access is also allowed to non-domestic users, covered by Annex L-quinquies to Part IV of Legislative Decree 152/2006, only for the waste indicated in Annex L-quater of the same decree, subject to filling in a specific form.
The collection centres in the reference area, managed through Valore Ambiente and SERIT, are designed with the aim of encouraging the sorted waste collection and recycling of recoverable materials.
In order to guarantee the achievement of the Circular Economy objectives, including the extension of the life cycle of products, specific areas have been set up in two Collection Centres of the Municipality of Vicenza where citizens can provide waste that they intend to dispose of but that can potentially be sent for reuse.

Waste treatment

During the 2024 financial year, the companies in the Environment Business Unit collected 229,133 tonnes of waste.

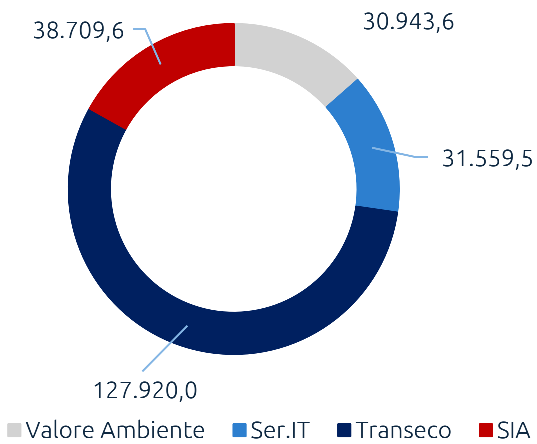


Figure 13 – Treated waste (tonnes)

Material recovery facilities

The subsidiary SERIT operates, in Cavaion Veronese (VR), a plant for the selection and recovery of urban paper and plastic waste which during 2024 treated 31,560 tonnes of waste.
In the Cavaion plant, also known as the Centro Comprensoriale (CC, District Centre), as part of the COREPLA (National Consortium for the Collection, Recycling and Recovery of Plastic Packaging) circuit, the plastic resulting from sorted waste collection is pre-cleaned through a sorting process. Subsequently, the product is pressed and sent to the COREPLA Sorting and Storage Centres. This step is fundamental in the recycling process, since one of the biggest problems in sorted waste collection is precisely related to the presence of foreign material.
Through Transeco, in the Verona area, a plant is managed for the treatment of non-hazardous urban waste (mainly bulky waste, wood, paper) and of special non-hazardous waste. The volume of waste managed in 2024 at the site located in Zevio (VR) amounted to 56,240 tonnes.

How the waste sorting process works

The plastic waste that arrives at the plant is unloaded and reaches the bag opener via a conveyor belt, where it is then conveyed via a connecting belt to the rotary screen.
From here, through two connecting belts, on the one hand the residue with maximum dimensions of 30 cm is brought to the ballistic separator and, on the other hand, the one with dimensions greater than 30 cm is brought directly to the first manual selection belt where it will be sorted into the various accumulation boxes.
The waste sent towards the ballistic separator is divided into 3D and 2D, that is, all the rolling parts flow towards a belt (A) while the light parts such as plastic bags and tetrapak move towards a further belt (B).
The latter (B) will take the material to the second manual selection belt and consequently the waste will be sorted into the various accumulation boxes.
The plastic of the first belt (A) will subsequently pass with the following order below: the magnet, the magnetic separator and the optical reader.
It will then end its cycle on the third and last manual selection belt to be also conveyed to the various accumulation boxes.
All the material conveyed to the accumulation boxes to fill them is automatically transferred to the press to be pressed and subsequently sent to the Sorting and Storage Centre.

Following the transfer of the business unit by AMIA Verona S.p.A., from 1 January 2024 the subsidiary Transeco has been managing a mechanical treatment plant at the Ca' del Bue site, processing urban waste from the city of Verona amounting to 71,680 tonnes during the 2024 financial year. The Ca' del Bue plant is authorised to treat 156,000 tonnes and carries out sorting and selection of waste sent to the site, as well as refining it, resulting in the production of Refuse-Derived Fuel (RDF) for use in industrial processes.

Mechanical treatment plant

In the Vicenza area, Valore Ambiente manages a transfer platform with volume shredder (shredding), storage, sorting and recovery of urban waste from collection in the Municipality of Vicenza together with other smaller quantities of waste from other adjacent municipalities. The volumes handled in the plant amount to 30,944 tonnes.

Landfills

The AGSM AIM Group, through its subsidiaries, manages a landfill in operation located in the municipality of Grumolo delle Abbadesse (VI), three post-operation landfills in the municipalities of Lonigo (VI), Sandrigo (VI) and Cà Nova (VR), and a landfill leachate treatment plant.
The Grumolo delle Abbadesse landfill operates in the field of disposal of urban waste mainly deriving from the sorted waste collection system, and special non-hazardous waste from urban waste sorting and mechanical separation plants, located mainly in the territory of the Province of Vicenza, within an integrated management system for urban waste disposal, organised and planned at regional level. Before being stored in the tank, the waste is reduced into pressed cubes in order to occupy less space.

Regarding the marketing of integrated environmental services, Transeco handled **9,872 tonnes**, of which **782 tonnes** were hazardous waste and **9,090 tonnes** were non-hazardous waste.
With regard to the integrated environmental services provided by Transeco, these include but are not limited to:

- technical and legislative advice;
- environmental and waste analysis (testing);
- management of waste transport, recovery or disposal through third parties;
- sale and/or rental of storage equipment;
- assistance in fulfilling annual obligations with the supervisory bodies (Chamber of Commerce, Ministry of the Environment);
- sanitisation of premises and areas through authorised third parties.

During 2024, **38,710 tonnes** of waste **were deposited** in the active landfill of Grumolo delle Abbadesse, also taking into account the rate coming from special non-hazardous waste. During the previous financial year, the volumetric remodulation of the landfill was approved, which will bring new volumes available for the years to come, thanks to the reconfiguration of the banks and the subsequent filling of these volumes, for a total availability of 440,000 cubic metres.
The Fossalunga landfill in Lonigo (VI) is managed by the subsidiary SIT, through a contract for the management by CIAT (Consorzio per l'Igiene Ambientale e del Territorio) regarding all post-operation activities, as well as for the Masona landfill in Sandrigo (VI), where SIT, however, holds the authorisation for the management of the related activities.
SIT, as part of a temporary association with Tecnologie Ambientali S.r.l., manages under concession a reverse osmosis plant to treat landfill leachate in Strillaie, Grosseto.
Surveillance, environmental monitoring and maintenance activities are carried out at the landfills under post-closure management. A photovoltaic plant is active in the two Vicenza sites, while the technical and administrative procedures for permanent safety of the site are currently under way at the Verona site.

City services

Street hygiene is necessary for the decorum and cleaning of streets and public areas, and is a constant commitment undertaken by the Group companies, such as Valore Ambiente and SERIT, towards the territory served. Street cleaning and hygiene services are carried out exclusively in public areas, or private areas for public use. The services offered include:

- **sweeping** the **streets** (mechanically or manually) indispensable for the urban health and decorum, for the **cleaning** of streets, squares and pavements also following sports events and local markets. The frequency of street sweeping is defined according to the characteristics of the area, vehicle traffic and use. Manual sweeping activities also include emptying the wastepaper bins, replacing the bag and replenishing the dog waste shovel dispensers;
- **street washing**, normally active in the period from March to November, when the weather conditions make it possible to ensure operating in compliance with the safety of road traffic, to assist the activity of manual and mechanical sweeping for cleaning and hygiene of public streets and pavements. It takes place during the night in the monumental area, and during the day in the areas outside the city centre, and is also provided on rainy days in the case of special events. The activity is a significant sanitisation of the public streets and pavements as it combines the three basic activities: manual and mechanical sweeping and street washing;
- **cleaning of municipal parks** and **gardens** including regular emptying of waste-paper bins. The frequency of service provision depends on the location and use of the site;
- **high-pressure water cleaning** is an indispensable addition to standard cleaning procedures, and is used to treat important, architecturally prestigious sites, or particular situations of decay, and to rid surfaces of excreta and guano;
- **collection of leaves**, performed using small and large mechanical or vacuum auto-sweepers, operated by workers who either manually, or with the use of blowers, move the leaves from the roadsides and pavements towards the area where the sweepers are operating, and if necessary using a truck fitted with leaf-vacuuming equipment;
- **street weeding**, through manual and mechanical systems by using a 'vapodiserbo' (steaming of weeds), a natural system for the elimination of weeds. The service includes weeding of the roadsides, pavements and the edges of traffic islands along the entire length of the city's road network.

1.2.2 Our commitment to stakeholders
[ESRS_2, SBM-2, DP 45a, 45b, 45d]

AGSM AIM's attention to its stakeholders is based on the values set out in the Group's Code of Ethics, which defines the guidelines to be adopted in relations with each stakeholder, establishing principles and modes of conduct for each of them.
Building a relationship of mutual trust with the Group's stakeholders starts from considering their interests and their compatibility with those of the organisation.
Stakeholder engagement is at the core of the Consolidated Sustainability Reporting.
Stakeholder engagement activity is continuous and is carried out both through established practices (customer satisfaction surveys, meetings with employees, etc.) and when fulfilling statutory obligations (e.g. shareholders' meetings, discussions with trade unions, etc.).
The Group is committed to listening to and understanding the needs of its stakeholders to ensure positive and lasting relationships. The Company is committed to promoting a process of gradual listening and dialogue, which is open and transparent, with a view to integrating this with its strategic choices.
Based on the results of external and internal context analysis, it was possible to identify the categories of stakeholders most relevant to the Group. This process was carried out in consideration of the potential degree of influence, interest and impact that:

- stakeholders have on our organisation;
- the organisation has on its stakeholders, in consideration of the Group's activities and products/services, as well as performance.

Figure 14 - Stakeholders of the AGSM AIM Group

The table below shows, for each stakeholder category identified and involved in the Double Materiality Analysis process, the types of engagement methods used and the relevant topics.

STAKEHOLDERS	ENGAGEMENT ACTIVITIES	RELEVANT TOPICS FOR THE STAKEHOLDERS
PEOPLE Employees and non-employees Trade union representatives	· Corporate intranet · Engagement initiatives · Training meetings and webinars · Meetings with trade union representatives · Dedicated whistleblowing channel · Health surveillance and occupational safety monitoring actions	· Climate change · Circular economy · Decarbonisation, energy efficiency and the use of renewable sources · Protection of the environment, biodiversity and ecosystems · Smart cities and sustainable mobility · Corporate wellbeing, diversity and inclusion – protection of human rights · Occupational health and safety · Technological innovation and digital transformation
CUSTOMERS Domestic customers and other uses Resellers Consip Business customers Associations	· Customer satisfaction surveys · Management of reports to the customer care service · Company websites	· Climate change · Circular economy · Decarbonisation, energy efficiency and the use of renewable sources · Protection of the environment, biodiversity and ecosystems · Smart cities and sustainable mobility · Development of distribution networks · Attention to customer needs and customer satisfaction · Technological innovation and digital transformation
SHAREHOLDERS Public and private shareholders Municipalities of Verona and Vicenza Minority shareholders (for subsidiaries)	· Shareholders' meetings	· Climate change · Circular economy · Decarbonisation, energy efficiency and the use of renewable sources · Protection of the environment, biodiversity and ecosystems · Smart cities and sustainable mobility · Development of distribution networks · Commitment to local communities and protection of the territory · Technological innovation and digital transformation · Governance geared towards sustainable success · Business integrity and corporate reputation
LENDERS AND INVESTORS Credit institutions Investment funds	· Specific meetings	· Climate change · Circular economy · Decarbonisation, energy efficiency and the use of renewable sources · Protection of the environment, biodiversity and ecosystems · Governance geared towards sustainable success · Business integrity and corporate reputation

STAKEHOLDERS	ENGAGEMENT ACTIVITIES	RELEVANT TOPICS FOR THE STAKEHOLDERS
SUPPLIERS Suppliers of works, goods and services	· Specific meetings · Supplier audits	· Climate change · Circular economy · Decarbonisation, energy efficiency and the use of renewable sources · Protection of the environment, biodiversity and ecosystems · Responsible supply chain management · Occupational health and safety · Technological innovation and digital transformation
AUTHORITIES AND INSTITUTIONS Reference local authorities Regulatory and control bodies Universities and research institutes	· Partnerships and collaborations · Meetings with institutions · Meetings with regulators and authorities	· Climate change · Circular economy · Decarbonisation, energy efficiency and the use of renewable sources · Protection of the environment, biodiversity and ecosystems · Development of distribution networks · Occupational health and safety · Governance geared towards sustainable success · Business integrity and corporate reputation
COMMUNITY AND TERRITORY Local and trade associations Citizens Citizen committees Media and social media	· Interviews, services and live TV, press conferences · Working groups · Collaboration in the organisation of conferences and events · Support and participation in local events	· Climate change · Circular economy · Decarbonisation, energy efficiency and the use of renewable sources · Protection of the environment, biodiversity and ecosystems · Smart cities and sustainable mobility · Development of distribution networks · Commitment to local communities and protection of the territory · Technological innovation and digital transformation · Governance geared towards sustainable success · Business integrity and corporate reputation

Table 3 - Stakeholder Mapping

The AGSM AIM Group also adopts proactive and multi-channel communication as a complementary tool for dialogue with its stakeholders. In this regard, the activity on the main social media channels[13] involves sharing content aimed at disseminating the activities and initiatives carried out by the Group and raising awareness among stakeholders on sustainability issues.
During the 2024 financial year, AGSM AIM initiated a stakeholder engagement process prior to developing the Double Materiality Analysis, involving different categories of stakeholders through a survey aimed at gathering their views on the importance of sustainability topics (environmental, social, and governance) considered relevant and potentially significant for each category. Thanks to specific free and optional fields provided for and included in the questionnaires, stakeholder engagement activities have also allowed the collection of opinions and suggestions expressed directly by the individual stakeholders on projects and sustainability objectives that the Group should set itself.
The analysis of the results from the surveys submitted to stakeholders was approved by the Board of Directors on 7 April 2025.

[13]The social channels of the AGSM AIM Spa Parent Company alone are: Facebook, Instagram, LinkedIn, X, YouTube. The company V-Reti has a LinkedIn channel available.

1.3. Key sustainability issues

[ESRS_2, SBM-3, DP 48a, 48d, 48h]
[ESRS_2, IRO-1, DP 53a, 53b, 53c, 53d, 53e, 53g, 53h]

Within its 2024 Consolidated Sustainability Report, AGSM AIM has developed a Double Materiality Analysis structured according to the requirements of the European Sustainability Reporting Standards (ESRS) established by the EFRAG (European Financial Reporting Advisory Group).
The Double Materiality Analysis combines two dimensions: impact materiality and financial materiality. Impact materiality refers to the effects the business has, both positive and negative, actual or potential, on individuals or the environment related to its own operations and its value chain, upstream and downstream, including through product distribution, service delivery, and commercial relationships (the inside-out perspective). Financial materiality refers to the risks or opportunities that have, or can reasonably be expected to have, a significant influence on the company's growth, financial position, economic results, cash flows, access to funding, or cost of capital (the outside-in perspective).
The analysis was organised according to the three main phases described below.

1. Understanding and Identifying Impacts, Risks and Opportunities (IROs)

The first phase involved analysing and understanding the context in which the Group operates, with the aim of defining a preliminary list (a long-list) of all impacts generated by AGSM AIM's activities along its value chain, together with a collection of risks and opportunities that could affect the Group's financial position. Specifically, for the Group, three different value chains linked to the various services provided were taken into consideration:

- **Energy Services**: includes the activities of generation, distribution, and marketing of energy products and services carried out by the Power, Heat, Market Business Units and the company V-Reti;
- **Environmental Services**: includes the activities carried out by the companies within the Environment Business Unit related to waste collection and treatment;
- **Other Services**: includes the value-added activities carried out by AGSM AIM Smart Solutions.

The mapping of Impacts, Risks and Opportunities (so-called IROs) was developed based on the 10 thematic ESRS standards found in Appendix A of ESRS 1, through a breakdown by the Group's three service lines, considering the differences between the various businesses operated. This differentiation led to the identification of a list of IROs at Group level, along with specific lists for each service line.
The mapping process did not result in any entity-specific IROs being identified.
The identification of the aforementioned IROs was based on two primary sources of information:

1. understanding the organisation's **internal context** included a review of the existing internal corporate regulations, as well as mapping and analysing the value chains of the Group's different service lines and the categories of stakeholders involved. Factors such as the types of business, the nature of activities, the geographical areas involved, and the Group's main dependencies on the supply of raw materials, goods, services, processing, processes, and target markets were also taken into account.
2. understanding the organisation's **external context**, which included analysing industry reports, relevant standards and regulations, and conducting a comparative analysis of peers and competitors representative of the various businesses in which the Group operates.[14] Additionally, the findings of stakeholder engagement activities carried out during 2024, through surveys sent to multiple stakeholder categories, were included in the analysis.

2. Assessment of Impacts, Risks and Opportunities

The identified and mapped IROs were then assessed using a qualitative-quantitative model, developed in accordance with the requirements set out in ESRS 1.

Impact materiality
The assessment of impacts over the short, medium or long term (as defined by ESRS 1) [15]was carried out based on the likelihood of the impact occurring and its significance (for positive impacts) or severity (for negative impacts), using the following criteria:

- **Scale:** how severe the negative impact is or how beneficial the positive impact is for people or the environment;
- **Scope**: the extent of the impact in terms of geographical area and the stakeholders affected;
- **Irreversibility** (for negative impacts): the extent to which it is possible to return to the previous state or condition.

Value scales ranging from 1 to 4 were used for all the criteria mentioned above.
In the event of potential negative impacts on human rights, the severity of the impact was prioritised over the likelihood of occurrence.
The assessment of impact materiality is calculated as the product of probability and significance, resulting in a single value that reflects the expected effect.
Financial materiality
The risks and opportunities identified during the mapping phase were assessed based on the magnitude of potential financial effects and the likelihood of occurrence.

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[14] The following references were used for the analysis of sector-specific reports, standards and regulations: ESRs (European Sustainability Reporting Standards), MSCI (Morgan Stanley Capital International), SASB (Sustainability Accounting Standards Board), ENCORE (Exploring Natural Capital Opportunity Risks and Exposure), UNEP (United Nations Environment Programme), Natura 2000 Network and Aqueduct Water Risk Atlas.
[15] Short term: the period adopted by the company as its financial reporting reference period (i.e. twelve months). Medium term: up to 5 years from the end of the short-term reference period (i.e. from the thirteenth month to the end of the fifth year).
Long-term: over 5 years.

Specifically, regarding magnitude, during the assessment of the relevance of risks and opportunities, their potential financial effects over the short, medium, and long term were considered based on scenarios and forecasts deemed likely, as well as potential impacts arising from assets and liabilities not yet recognised in the financial statements.
The main currently observable financial impacts occur in the form of:

- operating costs (OpEx), linked to environmental regulation adaptations and mitigation efforts;
- investments (CapEx), required for improving the efficiency of plants, processes, and technologies used;
- impacts on profitability (Turnover) and margins (EBITDA).

Any risks that may lead to significant current financial impacts are periodically identified and assessed to inform industrial and financial planning and, where appropriate and relevant, the necessary provisions are made.
To promptly detect any significant changes in the financial position, the Group maintains an active monitoring system designed to identify any changes that may impact the assets and liabilities reported in the consolidated financial statements.
The impacts described above on EBITDA, Turnover, CapEx and OpEx have been assessed using a scale from 1 to 4, consistent with the metrics defined in the Enterprise Risk Management (ERM) model adopted at the AGSM AIM Group level.
The assessment of financial materiality was ultimately determined by calculating the product of probability and magnitude, thereby obtaining a consolidated value representative of the expected financial impact.

3. Definition of results

Following the evaluation of the IROs, a single cut-off threshold was set at the value of 8 (eight), and a consistency check was carried out between the impact materiality and financial materiality results. These were then coordinated and integrated within AGSM AIM's Enterprise Risk Management (ERM) model.
It should be noted that, in accordance with regulatory guidelines, the AGSM AIM Group plans to establish a new stakeholder engagement plan starting from 2025, which will include specific meetings and workshops with key opinion leaders and representatives of the Group's main stakeholders.
This analysis was approved by the Board of Directors on 7 April 2025 and will be updated annually.
In the individual chapters on sustainability issues considered material for the AGSM AIM Group, a full list of relevant impacts, risks, and opportunities is provided, covering both the Group's direct operations and the activities upstream and downstream along the value chain.
The following table provides a summary view of the results of the Double Materiality Analysis.

Ref. ESRS	Sub-category – Subdivision of sub-category	Impact materiality		Financial materiality	
		Stage of the value chain	Time horizon	Stage of the value chain	Time horizon
E1	Climate change mitigation	• Upstream • Own operations • Downstream	• Short • Medium • Long	• Upstream • Own operations • Downstream	• Short • Medium • Long
E1	Climate change adaptation	n.a.	n.a.	• Own operations	• Short • Medium • Long
E1	Energy	• Upstream • Own operations • Downstream	• Short • Medium • Long	• Own operations • Downstream	• Short • Medium • Long
E2	Microplastics	• Upstream • Own operations • Downstream	• Short	• Own operations	• Short • Medium • Long
E2	Pollution of air	• Upstream • Own operations	• Medium • Long	• Own operations	• Short • Medium • Long
E3	Water withdrawals	• Upstream • Own operations	• Short • Medium	• Upstream • Own operations	• Short • Medium • Long
E3	Water consumption	n.a.	n.a.	• Own operations	• Short • Medium • Long
E3	Water discharges	n.a.	n.a.	• Own operations	• Short • Medium • Long

Ref. ESRS	Sub-category – Subdivision of sub-category	Impact materiality		Financial materiality	
		Stage of the value chain	Time horizon	Stage of the value chain	Time horizon
E4	Direct impact drivers on biodiversity loss – Direct exploitation	• Upstream	• Medium • Long	• Upstream	• Short • Medium • Long
E4	Direct impact factors on biodiversity loss – Changes in land use, freshwater use, and marine use	• Upstream • Own operations	• Medium • Long	• Upstream • Own operations	• Short • Medium • Long
E5	Resources inflows, including resource use	• Upstream	• Short	• Upstream	• Short • Medium • Long
E5	Resource outflows related to products and services	• Downstream	• Medium • Long	n.a.	n.a.
E5	Waste	• Upstream • Own operations	• Short • Medium • Long	• Upstream • Own operations	• Medium • Long
S1	Working Conditions - Secure employment	n.a.	n.a.	• Own operations	• Short • Medium
S1	Working conditions - Adequate wages	• Own operations	• Medium • Long	• Own operations	• Short • Medium
S1	Working conditions – Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	• Own operations	• Short	• Own operations	• Short • Medium • Long
S1	Working Conditions - Health and Safety	• Own operations	• Short • Medium • Long	• Own operations	• Short • Medium • Long
S1	Working conditions - Social dialogue	• Own operations	• Short • Medium	• Own operations	• Medium
S1	Working conditions - Collective bargaining	• Own operations	• Short • Medium	• Own operations	• Medium
S1	Equal treatment and opportunities for all - Gender equality and equal pay for work of equal value	n.a.	n.a.	• Own operations	• Medium • Long
S1	Equal treatment and opportunities for all - Training and skills development	• Own operations	• Short • Medium • Long	• Own operations	• Short • Medium
S1	Equal treatment and opportunities for all - Diversity	• Own operations	• Short • Medium	n.a.	n.a.
S1	Other work-related rights - Confidentiality	• Own operations	• Short • Medium	n.a.	n.a.
S1	Other work-related rights - Child labour	n.a.	n.a.	• Own operations	• Medium
S1	Other work-related rights - Forced labour	n.a.	n.a.	• Own operations	• Medium
S2	Working Conditions - Secure employment	• Upstream • Downstream	• Short • Medium	• Upstream	• Short • Medium

Ref. ESRS	Sub-category – Subdivision of sub-category	Impact materiality		Financial materiality	
		Stage of the value chain	Time horizon	Stage of the value chain	Time horizon
			• Long		• Long
S2	Working Conditions - Health and Safety	n.a.	n.a.	• Upstream	• Short • Medium • Long
S2	Other work-related rights - Child labour	• Upstream	• Short • Medium	• Upstream	• Short • Medium • Long
S2	Other work-related rights - Forced labour	• Upstream	• Short • Medium	• Upstream	• Short • Medium • Long
S2	Other work-related rights - Confidentiality	• Upstream • Downstream	• Short • Medium	• Upstream	• Short • Medium
S3	Communities' economic, social and cultural rights - Water and sanitation services	• Own operations	• Short • Medium	N.A.	N.A.
S3	Rights of Indigenous Peoples - Free, Prior and Informed Consent	• Upstream • Own operations	• Medium • Long	• Own operations	• Short • Medium • Long
S4	Information-related impacts for consumers and/or end-users - Confidentiality	• Own operations • Downstream	• Short • Medium	N.A.	N.A.
S4	Information-related impacts for consumers and/or end-users - Access to (quality) information	• Own operations • Downstream	• Short • Medium	• Own operations	• Short • Medium • Long
G1	Corporate culture	• Upstream • Own operations • Downstream	• Short • Medium • Long	• Upstream • Own operations • Downstream	• Short • Medium • Long
G1	Protection of whistle-blowers	N.A.	N.A.	• Upstream • Own operations • Downstream	• Short • Medium • Long
G1	Management of relationships with suppliers including payment practices	• Upstream • Own operations	• Short • Medium	• Upstream • Own operations	• Short • Medium • Long
G1	Active and passive corruption – Prevention and detection, including training	• Upstream • Own operations • Downstream	• Short • Medium	• Upstream • Own operations	• Short • Medium • Long
G1	Corruption and bribery – Events	• Upstream • Own operations • Downstream	• Short • Medium • Long	• Upstream • Own operations	• Short • Medium • Long

Table 4 – Results of the double materiality analysis

1.3.1 AGSM AIM Group's commitments to sustainable growth
[ESRS_2, SBM-3, DP 48b, 48c]

As described in the previous paragraph, the AGSM AIM Group has identified a series of relevant impacts, risks and opportunities, appropriately detailed within the thematic ESRS chapters. These have been identified by considering all activities related to the business model and the value chain, both upstream and downstream, including the involved counterparts such as suppliers and customers.

The identified impacts directly affect people and the environment both in the short and medium-to-long term. On one hand, negative impacts such as greenhouse gas emissions, natural resource consumption, and potentially inadequate working conditions can adversely affect the environment and people. On the other hand, the positive impacts generated by the initiatives implemented by the Group can create benefits for the context in which it operates and improve the conditions of people directly or indirectly involved in the business activities. Further details are provided within the chapters of the thematic ESRS.

The Group tackles these impacts through their integration into strategic decision-making processes. This is achieved through the periodic update of its Business Plan, facilitating the integration of business expansion and economic-financial results with environmental and social sustainability.

The initiatives put in place are closely linked to the Group's dedication to the Sustainable Development Goals (SDGs), defined in September 2015 as part of the United Nations Global Agenda. It is an action plan whose implementation requires States, productive sectors, enterprises, financial institutions, non-governmental organisations and civil society to orient their programmes towards these goals.

The goals of the 2030 Agenda, divided into 169 targets to be achieved by 2030, represent the blueprint on which to build a path to sustainable development through an integrated approach and tangible measures to address a major socio-economic paradigm shift, the many complex environmental and institutional challenges.
The AGSM AIM Group has decided to make its own contribution to achieving these goals: in declaring its charter of commitments for the coming years, AGSM AIM has chosen to link its actions with the SDGs most akin to its core business and strategic lines of action. The strategies and actions envisaged in the AGSM AIM Group's Business Plan are aimed at sustainability and traced back to 10 of the 17 SDGs.

Figure 15 – Sustainable Development Goals

Specifically, with regard to environmental issues, the Group is committed to reducing its impacts through the sustainable and efficient management of energy, water, and other natural resources used, as well as safeguarding the natural value and biodiversity of the territories in which it operates by implementing appropriate controls and environmental measures.

From a social perspective, the protection and promotion of its workforce are fundamental elements of AGSM AIM's strategy, which places particular emphasis on workplace health and safety and on encouraging employee training. The Group also carries out its activities with a constant commitment to establishing an inclusive approach, aimed at minimising negative impacts on workers along the value chain and on the communities in the territories where it operates.

Finally, with regard to governance aspects, the Group continues to pursue and promote high standards of fairness, loyalty, integrity and transparency.

The following provides further details on the commitments undertaken by the Group:

The AGSM AIM Group is committed to providing practical answers to its customers every day. Aware of the impact that the expensive bills have had on families and businesses especially in recent years, AGSM AIM has established **ad hoc funds to pay** electricity, gas and district heating **bills**. The **possibility of paying by instalments has been expanded** and more people have been assigned to addressing the numerous requests for information and enquiries from customers.

The AGSM AIM Group considers continuing education and training an essential tool for social and economic development and, therefore, provides its employees with ongoing training courses for professional and personal growth.
During 2024, the Group provided specific training courses to develop individual skills and for technical and regulatory updating in the field of personal data protection, cyber security, occupational health and safety and preventing corruption. **There were 19.04 hours of training per capita, provided both** in-house and at specialised external centres.
AGSM AIM also cooperates with several universities, giving students the opportunity to carry out curricular training projects lasting about three months.

AGSM AIM supports the potential of women working within the Group by promoting full and effective participation and equal opportunities for leadership at all levels of decision-making in corporate life, preventing favouritism and gender discrimination. During the 2024 financial year, the Group launched projects aimed at raising awareness among employees about DE&I, fostering a culture of inclusion that resulted in the Parent Company receiving **certification for gender equality in accordance with the UNI/PdR 125:2022 standard.**

The goal of the energy transition is an integral part of AGSM AIM's Business Plan, increasing, year after year, the share of energy generated from renewable sources and allocating 100% of investments in energy production to plants from green sources, in particular wind and photovoltaic. In 2024, the **electricity produced** by plants powered by **renewable sources represented 56.60%** of the total energy produced by the Group.

People are at the core of the Group's growth project. AGSM AIM pays particular attention to the healthiness of the workplace. Therefore, it undertakes to **comply with the highest safety and health standards of the work environment**, to offer optimal conditions and to pay adequate wages.

AGSM AIM promotes **scientific and technological development aimed at environmental protection and safeguarding resources** by adopting criteria for safeguarding and energy efficiency. More specifically, the Group is active in infrastructure improvement projects in networks, smart services, environmental health, power generation and district heating.

The Group is aware that **its commitment to environmental protection represents a competitive advantage in a market that is increasingly attentive to the quality of services.** AGSM AIM supports the circular economy by enhancing the integrated waste management service, ensures urban cleanliness, promotes cultural initiatives, develops fibre optic telecommunications infrastructure, and contributes to transforming city mobility by encouraging the use of electric vehicles.

The efficient use of renewable sources and the shift towards sustainable production processes contribute to minimising our environmental footprint. AGSM AIM has always been committed to **reducing the use of fossil fuels,** one of the elements most responsible for climate change, and **improving the energy efficiency of production sites and company offices**. The AGSM AIM Group also provides customers with information about proper sorted waste collection practices and domestic energy consumption.

The AGSM AIM Group contributes to caring for the planet by protecting the territory, promoting the circular economy and electric mobility. It pays great attention and makes important investments in d**eveloping renewable sources in order to create a more sustainable energy system**, less dependent on fossil fuels and, therefore, less polluting.

AGSM AIM actively contributes to achieving the United Nations Sustainable Development Goal on "Peace, justice and strong institutions" (SDG no. 16) by **carrying out business activities inspired by high standards of fairness, loyalty, integrity and transparency and in compliance with current legislation**. In this regard, the Group adopts policies aimed at spreading the culture of legality, protecting the company's reputation, thus ensuring value creation over time.

The Sustainable Development Goals of the 2030 Agenda and the extraordinary challenges arising from energy transition have heightened the awareness of sustainable development, which entails a business model able to guarantee resilience, flexibility and effectiveness in the long term. These goals and challenges are combined with the ability to reduce risks and respond to external factors, also of an exceptional magnitude.

AGSM AIM has adopted its **Sustainability Management Policy** as the set of choices and behaviours that allow the Group to pursue its corporate purpose, guaranteeing its long-term profitability and competitiveness and enhancing the interests of all its stakeholders.

The ambition to pursue sustainable success and the daily commitment to ensuring the integration of environmental, social and good governance principles into its business model are essential elements to create value to benefit its stakeholders, with particular attention to the community and the territory in which the Group operates.

For the AGSM AIM Group, Sustainability means conducting its activities with a view to the future and orienting the business strategy towards creating value for stakeholders in the medium and long term. In this context, AGSM AIM intends to base its activities on ensuring a sustainable approach in terms of respect for people, the environment and the adoption of good governance practices of our organisation.

AGSM AIM has sustainability issues at its core and strongly believes in integrating Environmental, Social and Governance (ESG) criteria.
As a responsible operator, AGSM AIM believes that sustainable development and more generally sustainability, broken down into the three dimensions included under the acronym ESG, play a fundamental role in today's economic landscape.

In fact, sustainability represents the guiding star for the future development of the Group which, in the 2022-2025 Business Plan, foresees the investment of a significant part of the Euro 600 million in projects that encourage the transformation of the sector towards green and digital, circular transformation and decarbonisation.
The Group is aware that sustainability is not a precise objective but a process, which it decided to call "**The Path to sustainability**". It is a project that imposes new perspectives on a daily basis, with the awareness that the path is still long and demanding.
The Group bases its activities on the ten principles of the United Nations Global Compact (UNGC) on human rights, labour, environment and anti-corruption. In 2024, it renewed its membership in the United Nations initiative by committing to respect and integrate the ten principles on human rights, labour, the environment and the fight against corruption into its activities (www.globalcompactnetwork.org). Therefore, the AGSM AIM Group submits the COP (Communication on Progress) on an annual basis, whereby it maintains a transparency relationship with the Global Compact and its stakeholders, reporting its contribution to the dissemination and observance of the ten fundamental principles.
AGSM AIM intends to continuously adopt the 10 Universal Principles in its business strategy, but even more so in the culture of its organisation.

HUMAN RIGHTS	*1. Support and respect the protection of internationally proclaimed human rights within the respective spheres of influence.* *2. Make sure that it is not, albeit indirectly, complicit in human rights abuses.* AGSM AIM respects, protects and promotes human rights and fundamental freedoms for all by committing to guarantee professional relationships with its stakeholders based on respect for human dignity.
LABOUR	*3. Uphold the freedom of association and the effective recognition of the right to collective bargaining.* *4. Support the elimination of all forms of forced and compulsory labour.* *5. Support the effective abolition of child labour.* *6. Support the elimination of discrimination in respect of employment and occupation.* Attention to People is a central element of the AGSM AIM Group's growth project as they represent an essential factor for carrying out the activity and achieving the company objectives. AGSM AIM promotes an inclusive work environment, which encourages a work-life balance, able to value people, respectful of human dignity and individuality.
ENVIRONMENT	*7. Support a precautionary approach to environmental challenges.* *8. Undertake initiatives to promote greater environmental responsibility.* *9. Encourage the development and diffusion of environmentally friendly technologies.* AGSM AIMS safeguards the landscape heritage of the territory in which it operates by adopting policies to preserve, protect and maintain the environment, ecosystems and biodiversity. The aim is to reduce the environmental impact of its activity, adopting an approach oriented towards monitoring and continuous improvement of performance, starting from compliance with current legislation with a constant focus on protecting the environment and mitigating the loss of biodiversity.
ANTI-CORRUPTION	*10. Work against corruption in all its forms, including extortion and bribery.* The Group adopts policies aimed at spreading the culture of legality, protecting the company's reputation, thus ensuring value creation over time. In the belief that the fight against corruption represents a fundamental value in the conduct of its business, AGSM AIM has defined and adopted, on a voluntary basis, its Group Code of Ethics, the Anti-Corruption Policy and, where deemed appropriate, the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

1.4. Sustainability governance

[ESRS_ 2, GOV-1, DP 21a, 21b, 21d, 21e, 22a, 22b, 22c, 23a, 23b]
[ESRS_S1, DR S1-9, DP 66a]

The organisational model of the AGSM AIM Group consists of a comprehensive system of delegated powers and powers of attorney in relation to the acts and transactions concerning the individual corporate Departments.
The Group's corporate governance system is designed to ensure sustainable success and the creation of economic, social and environmental value for shareholders and for the local community over the medium/long term, being aware of the ESG impacts of the business activities in which it is engaged and while respecting the interests of all stakeholders involved in its operations.
The Corporate Governance structure is represented by the rules and forms of behaviour adopted by AGSM AIM in order to guarantee the fair, effective and transparent working of the Company's governance bodies and control systems of the Parent Company and the companies directly controlled by it, in compliance with the "Management and Coordination Guidelines" adopted at Group level in May 2022.
The Group's operating companies, in concert with the Parent Company, manage the "technical-specialist" aspects of the services carried out - marketing and distribution of gas, electricity and district heating and environmental health, parking, public lighting and telecommunications services - including through consultation with the various administrative, regulatory and control bodies.
As the Parent Company, AGSM AIM S.p.A. centralises its typical structure activities on its own by providing services to most of the companies belonging to the Group. In particular, in addition to activities directly related to the production of electricity, the Company is responsible for administrative and financial activities, the management of human resources, legal and corporate affairs, compliance and quality, the management of health and safety in the workplace, environmental protection, the management of owned assets, as well as risk management, communication and marketing, planning and development activities.
The companies belonging to the AGSM AIM Group have adopted a traditional administration and control system that consists of the typical administration, management and control bodies provided for by current legislation, supplemented by the provisions of their respective articles of association.
On the other hand, the subsidiary EcoTirana Sh.A. has adopted a two-tier system in which administration and control are exercised by a Management Board and a Supervisory Board.

Shareholders' Meeting

The Shareholders' Meeting is mainly responsible for approving the Separate Financial Statements and for deciding on the distribution of profits, the appointment and dismissal of the management body, the control body and the independent auditors, as well as on the approval of extraordinary transactions involving changes to the corporate structure, such as changes to the legal form, mergers and demergers.

Board of Statutory Auditors

The Board of Statutory Auditors is a control body that oversees that the law and the Articles of Association are complied with, that the principles of correct management are observed and that the organisational, administrative and accounting system adopted by the Group Companies is adequate and works properly.
Demonstrating the Group's high commitment to diversity, women make up 34.2% of the members of the supervisory bodies, with men accounting for 65.8%.

Governing bodies

The Management Bodies (Board of Directors or Sole Director) of the Group companies play a central role, since they are responsible for all the strategic and organisational choices that are necessary to achieve the corporate purpose.
Pursuant to the articles of association adopted individually by the subsidiaries, the Management Body is vested with all broadest powers for the ordinary and extraordinary management of the company. It is entrusted with all the necessary and appropriate acts to implement the corporate purpose, excluding only those reserved by law or the Articles of Association to the shareholders' meeting.
The AGSM AIM Group has directly integrated the management of sustainability issues into its governance bodies. The Group's administration, management, and supervisory bodies have the appropriate skills to effectively address sustainability issues.
Specifically, the Parent Company is governed by a Board of Directors consisting of six members, including two women, which comprises the Chairperson, the Vice Chairperson, and the Chief Executive Officer, all vested with specifically delegated executive powers; the remaining three members of the board are non-executive and independent. The description of the process of appointment and selection of the Board of Directors is set out in the Articles of Association, which can be consulted on the Company's website (www.agsmaim.it) in the corporate governance section.
The Board of Directors of AGSM AIM S.p.A. approves the consolidated Sustainability Report, ensuring it is prepared and published in accordance with the provisions of Legislative Decree 125/24 and Group policies, including the Sustainability Management Policy. Supporting the Board of Directors, the Management Risk Committee supervises internal control and risk management matters, including those related to ESG aspects connected to the company's operations, while simultaneously monitoring the adequacy and effectiveness of the internal control system.
The Board of Directors and the Management Risk Committee (with the participation of the Parent Company CEO) play a key role in sustainability management.

All the Directors meet the requirements pursuant to Article 2382 of the Italian Civil Code and all the directors appointed by the Shareholders' Meeting have the necessary skills with reference to the characteristics of the business carried out by AGSM AIM.
No employees or other workers are represented within the governing, executive, or supervisory bodies.
AGSM AIM ensures, in the composition of the corporate bodies, the balanced representation of gender and guarantees the presence of independent Directors in accordance with current legislation.
The members of the Management Body, appointed by the respective shareholders' meetings on the basis of lists submitted by the shareholders, hold office for three financial years and may be re-elected. Each chairperson has the powers and duties set out in Article 2381 of the Civil Code.

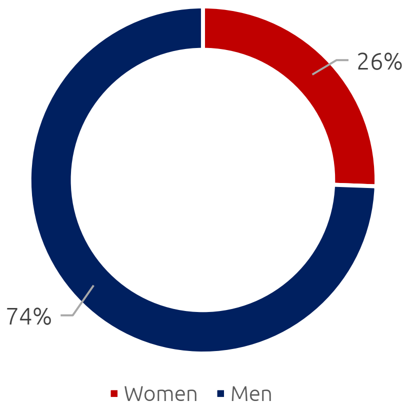

Figure 17 – Composition of the Management Bodies of the Group companies

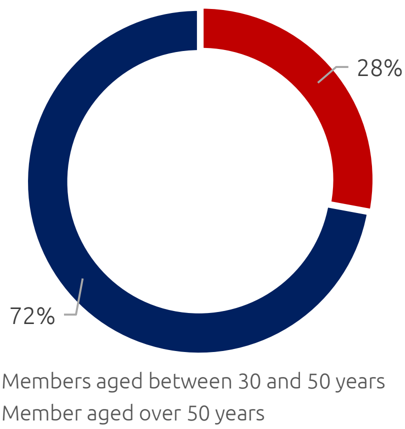

Figure 18– Age of the Management Bodies' members of the Group companies

1.4.1 Sustainability-linked performance in incentive plans
[ESRS_2, GOV-3, DP 13, 29a, 29b, 29d, 29e]

Within the remuneration framework for the members of the Board of Directors and the Board of Statutory Auditors, the only individuals eligible for incentive schemes are the executive directors of the Group companies. In fact, in addition to a fixed annual salary, they are also awarded an annual variable component (MBO). The annual variable component (MBO) is also contractually granted to the executives and managers of the AGSM AIM Group.
In the 2024 financial year, ESG targets were identified within the individual incentive schemes for the delegated directors, executives, and managers. Specifically, the MBO records of the delegated directors, executives, and managers were analysed to categorise the objectives into the following four main categories:

- Financial (F)
- Environmental (E)
- Governance (G)
- Social (S)

In particular, for the year 2024, about 45% of the goals identified and allocated were categorised strictly as ESG objectives. These objectives relate, for example, to obtaining gender equality certification and maintaining or renewing existing QSA certifications, as well as projects concerning customer satisfaction and customer care, sustainable supply chains, technological innovation, and digital transformation.
Additional ESG objectives of an operational and/or managerial nature relate to climate change mitigation and adaptation, such as increasing the share of electricity generated from renewable sources, energy efficiency projects for the Group's plants, and the development of infrastructure for electric vehicle charging, among others.
From the 2025 financial year onwards, a mechanism for categorising each assigned ESG objective has been implemented in ORACLE HCM. Specifically, the system requires that, when entering each objective, a dropdown menu is used to define the categorisation of all ESG-related objectives (F: Financial; E: Environmental; S: Social; G: Governance).

1.4.2 Declaration of Due Diligence
[ESRS_2, GOV-4, DP 30, 32]

In the context of preparing the Consolidated Sustainability Report, the AGSM AIM Group has initiated a process of gathering and analysing information regarding its practices on the duty of care (hereinafter also referred to as "due diligence"), while acknowledging that these are established operational practices not yet formalised into a specific process.
In accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, which inform certain policies of the AGSM AIM Group, the Group's duty of diligence on sustainability issues is summarised in the following mapping of disclosures.

Core elements of due diligence	Corporate practices	Sustainability Report Sections
Embedding due diligence in governance, strategy and business model.	As a foundation for integrating responsibility in respect of social and environmental aspects, the Group adopts various policies. Specifically, the commitment is reflected within the following policies: • Sustainability Management Policy • Code of Ethics • Reporting Policy • Anti-Corruption Policy • Environmental protection Policy • Policy for the protection of human rights • Policy for the Protection of Diversity, Equity, Inclusion, and Gender Equality • Policy for the Management of Insider Information	ESRS 2 GOV-2 ESRS 2 GOV-3 Sections covering governance, strategy, and policies.
Engaging with affected stakeholders in all key steps of the due diligence.	Stakeholder engagement represents an opportunity for dialogue and collaboration for the Group. In particular, to identify and manage relevant aspects for the Group, AGSM AIM employs various methods aimed at maintaining continuous communication with its different stakeholders; including, but not limited to: • the Stakeholder Engagement process; • the whistleblowing reporting channel is available to all stakeholders, providing an important means to submit different types of reports.	Paragraph 1.2.2 "Our engagement with stakeholders". SMB-2 S1-2 S2-2 S3-2 S4-2
Identifying and assessing adverse impacts.	• The Group's Double Materiality Analysis process placed particular emphasis on the assessment and prioritisation of impacts, aiming to identify those most relevant to the organisation and its stakeholders. • Verification of compliance with the minimum safeguard guarantees pursuant to EU Regulation 2020/852 (EU Taxonomy).	Paragraph 1.3 "Relevant sustainability issues".
Taking actions to address those adverse impacts.	• The Group undertakes specific actions aimed at mitigating negative impacts and enhancing positive ones, as detailed in the respective sections of this document. • The Group's Reporting Policy includes conducting investigations that may ultimately result in specific corrective or disciplinary actions.	Paragraph 1.3 "Relevant sustainability issues".
Tracking the effectiveness of these efforts and communicating.	The AGSM AIM Group defines metrics, detailed in the relevant sections of this Consolidated Sustainability Report, to ensure that the actions taken are measurable and effective. The operational procedure "Information Flows to the Supervisory Body" governs the methods and timing for communicating information flows related to the most significant activities of the AGSM AIM Group to the Supervisory Body.	Paragraphs on objectives and channels Paragraph 4.1.2 "Impacts, risks and opportunities management"

Table 5 – Core elements of due diligence

1.4.3 Internal Control and Risk Management System

The AGSM AIM Group defined an **Internal Control and Risk Management System** (hereinafter also "SCI-GR") inspired by national and international good practices in terms of risk management and corporate governance processes, which divides the corporate organisation into the traditional three lines of defence:

- the **first line** of defence is represented by the Business Units (BU) and the operational support departments and functions of the organisation. The representatives of the business units (BU) and the various organisational structures are involved in the risk management process, with particular reference to the activities of identifying, managing, assessing and monitoring risks, including the definition of the most appropriate actions to be implemented to mitigate them;
- the **second line** of defence consists of the Risk Management function, set up within the Finance & Control Department, and the Compliance function, established within the Legal Department, both based at the Parent Company. They are responsible for overseeing the risk and compliance management process and supervising the application of company risk management methodologies (strategic, reporting, operational, compliance), covering both reputational aspects and the so-called ESG areas (Environmental, Social & Governance);
- the **third line** of defence is represented by the Group Internal Audit function, also based at the Parent Company. It is responsible for planning and conducting audits to verify the effective implementation of the regulations and company procedures adopted by the Group, as well as supporting the Parent Company's Board of Directors in assessing the adequacy of the Internal Control and Risk Management System (SCI-GR).

The Enterprise Risk Management Process is adopted at Group level and integrated into the Group's corporate governance system and SCI-GR. This process contributes to defining the strategic and operational choices adopted, supporting management in identifying risks and opportunities and in assessing the potential negative impacts, both from a financial point of view and with reference to the ESG areas relevant to sustainability, that could arise, thus promoting the creation of value and the achievement of sustainable success for the Group and its stakeholders.

By adopting and constantly improving its SCI-GR, the Group aims to develop and implement a solid risk culture that is consistent with the corporate values, strategies and objectives defined by the Board of Directors, promoting the adoption of informed decisions.

The Group Risk Management and ESG Function is assigned the following responsibilities:

- provide high-level support to disseminating the risk culture;
- define the integrated methodologies for the identification and analysis of risks, opportunities and impacts, to ensure an overview of them, homogeneous assessments and their accurate measurement and monitoring;
- ensure the correct application of the enterprise risk, opportunities and impacts management methods;
- constantly discuss with the first level Managers and the heads of BUs in order to ensure adequate enterprise risk control and monitoring activities carried out by them;
- produce periodic information on the enterprise risk management process to the bodies responsible for the SCI-GR and on the outcome of the monitoring activities carried out thanks to periodic reports and KPIs.

Within the scope of the responsibilities described above, the Risk Management Function coordinates and supports management when identifying and assessing risks, opportunities and impacts, supervising the methods defined and adopted to control and monitor enterprise risks, as well as consolidating the results of the risk assessment at Group and individual Business Unit level.
To ensure constant operational supervision over the management of enterprise risks since 2021, the year the new Group was set up, the Risk Management and ESG Function was established at the Parent Company and, subsequently, in 2022, the **Management Risk Committee** (hereinafter the "Management RC") was established, composed of the Chief Executive Officer and a selection of key Heads of the Parent Company's main Departments, and which also sees the participation of the Head of the Internal Audit Function as observer, in addition to the Head of the Risk Management Function in the role of secretary of the Management RC. Due to the topics dealt with, other first level managers, heads of BUs, and any other person inside and/or outside the organisation deemed necessary to further the issues addressed by the RC may also be invited to take part in the work of the Management RC.

The Management Risk Committee has a proactive and advisory role and meets at least every quarter to promote the sharing and in-depth analysis of issues deemed relevant to corporate risk management. Among the main tasks assigned to the Management RC are those of:

- assisting the Chief Executive Officer in evaluations and decisions relating to defining the SCI-GR within its purview;
- expressing opinions on specific aspects concerning the definition of the Risk Appetite Framework (RAF) and the relative tolerance thresholds, the identification of the main corporate risks, opportunities and impacts and the periodic assessments carried out by management ("Risk Self-Assessment");
- analysing and evaluating the results of Risk Self-Assessment activities;
- supporting the Chief Executive Officer in implementing the guidelines defined by the Board of Directors and in designing, creating and managing the SCI-GR;
- proposing to the Chief Executive Officer the corrective measures to be implemented in a timely manner in order to mitigate business risks that exceed the limits stated in the Risk Appetite Statement (RAS);
- approving the annual plan of corporate risk management activities.

The Group Compliance Function is assigned the responsibility of identifying, assessing and classifying, through assessment activities, compliance risks and implementing the related controls (e.g. Italian Legislative Decree 231/2001 on the administrative liability of entities, EU Reg. 2016/679 GDPR on the protection of personal data and privacy, Italian Legislative Decree 50/2016 of the Public Procurement Code, etc.). The following main tasks are added to these:

- monitor changes in legislation related to the assigned areas of responsibility (Legislative Decree no. 231/2001, Anti-corruption, Privacy and Data Protection, Digital Preservation, Environmental regulations, Market Abuse, and any other relevant legislation), reporting any significant updates and highlighting any substantial impacts that new laws and regulations may have on the companies within the Group;
- support Group companies in the activities of preparing and updating the organisation, management and control models adopted pursuant to the Legislative Decree of 8 June 2001, also providing operational support to the appointed supervisory bodies;
- ensure regulatory compliance and observance with the requirements of the current data protection and privacy legislation (EU Reg. 2016/679 GDPR);
- assist top management and organisational units, within their respective areas of responsibility, in defining the appropriate tools and methodologies for the identification, measurement and assessment of compliance risks, providing adequate methodological and operational support in the activities relating to the process of issuing and updating internal implementation rules to prevent the risk of non-compliance (procedures, operating instructions, regulations, etc.);
- oversee the preparation of service contracts entered into by the Parent Company with its Subsidiaries, adhering to the powers of attorney and delegation framework, with subsequent filing in accordance with company procedures;
- promote the Human Resources Department in organising training for employees in the applicable fields;
- verify, with the support of Internal Functions and Subsidiaries, the effectiveness of the procedures adopted to ensure compliance with regulations within its areas of responsibility;
- oversee the management of relations with the Supervisory Authorities and external and internal control bodies.

Internal Auditing is an independent and objective assurance and consulting activity, whose purpose is to improve the organisation’s effectiveness and efficiency. This function assists the Board of Directors of the Parent Company in the pursuit of its objectives through a systematic professional approach, that generates added value given that it aims at assessing and improving the control, risk management and corporate governance processes. In particular, the Group Internal Audit Function is assigned the following main tasks:

- draft the Audit Plan proposal according to a risk-based approach to be submitted to the Parent Company's Board of Directors for appropriate evaluation and approval;
- plan and conduct audits on the basis of the approved plan, agreeing with the audited Departments on the improvement actions identified. Periodically submit to the Board of Directors the summary report of the outcome of the audit activities carried out, the status of implementation of the audit plan and the improvement actions identified;
- analyse both administrative and industrial business processes to assess their appropriateness in terms of: effectiveness, i.e. suitability to achieve the objectives of the individual process; efficiency and cost-effectiveness, i.e. conformity of the process to achieve the objectives with a rational use of production factors and at an appropriate cost (Operational Audit);
- design and carry out, also with the support of external third parties, any specific audit activities such as fraud audits, IT audits, etc.
- support the Supervisory Body of the Group companies in overseeing the implementation of compliance programmes (Code of Ethics, Organisation, Management and Control Model according to Italian Legislative Decree 231) and coordinate audit activities in the event of alleged violations of these documents.

The following main tasks are assigned to the Quality, Safety and Environment function:

- define management policies and models, in compliance with the regulations and internal reference guidelines, on the environment, quality and health and safety of workers, monitoring their correct implementation and ensuring adequate information flows to the top of the Group;
- manage and coordinate the execution of environmental, quality and safety audits and certification systems.

The main business risks

The integrated corporate risk management model of the AGSM AIM Group is inspired by the best market practices and the main international reference standards, in particular the Enterprise Risk Management (ERM) - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (CoSO), also declined for ESG dimensions according to the guidelines "Applying ERM to ESG-related Risks" defined by the World Business Council for Sustainable Development (WBCSD). Starting from the 2024 financial year and continuing into 2025, the adopted model has been gradually developed and updated to take into account the regulatory guidelines set out in the European Union Directive 2022/2464 on corporate sustainability reporting (commonly referred to as the CSRD – Corporate Sustainability Reporting Directive).

The Group's ERM model adopted at Group level was developed under the guidance of the Group Risk Management and ESG Function, which is in charge of overseeing and coordinating the process of identifying, assessing and managing corporate risks.
This model is adopted at Group level and makes it possible to provide a representation of the risk profile at both a consolidated level and for each individual BU/relevant company belonging to the Group, while respecting the principle of organisational independence of each subsidiary.
The process of identifying, assessing, and managing business risks (commonly referred to as enterprise risk assessment) is based on the international standard ISO 31000:2018 – Risk Management Guideline. It includes a periodic update cycle that varies depending on the characteristics of the specific risks identified, carried out through both benchmarking activities and the planning and facilitation of meetings and workshops with risk owners, who have sufficient organisational responsibility and expertise to define and implement both the process and operational tasks associated with the potential risk.
Consistently with the COSO ERM - Integrated Framework, once risk events and their causes have been identified and appropriately described, corporate risks are assessed according to the two main dimensions of the probability (or expected frequency) of occurrence and the expected potential impact in both economic-financial and non-financial terms (e.g. environmental, occupational health and safety, compliance, etc.). The level of inherent risk thus estimated is weighted according to the various methods of control and mitigation (i.e. preventive or subsequent controls, manual or automated, etc.) generating the so-called residual risk.
The review and update process of the risk assessment undertaken over the year allowed the AGSM AIM Group to map out its corporate risk portfolio, classified into five uniform categories:

- Strategic
- Financial
- Governance
- Operational
- External events

A total of 111 risks were mapped, surveyed and assessed in the AGSM AIM Group's corporate risk catalogue (Risk Register), classified according to the five categories indicated above and, in turn, divided into 27 macro-risk areas.
A selection of corporate risks is classified as "key risks" and involves both a qualitative-quantitative assessment according to the aforementioned ERM (*Probability x Impact*) model, and an assessment using probabilistic methods that allow the calculation of the relative Value at Risk (VaR). In particular, the key risks that require periodic VaR calculations are those relating to credit exposure to customers and other third-party counterparties, commodity prices (also thanks to using the special application solution ETRM - Energy Trading Risk Management tool), churn-out rates, expected profitability of investments included in the capex plan, liquidity management, and so on.
Additional mathematical and statistical models are used to monitor liquidity risk and manage investments that have an impact on achieving the economic and financial performance in the future years within the business plan. For further details regarding economic and financial risks, please refer to the other sections of the Report on Operations included in this Annual Financial Report of the AGSM AIM Group for the 2024 financial year.
Climate change-related risks are classified in the categories of strategic and/or external risks and are specifically analysed and monitored by the cross-functional working group set up at Group level and coordinated by the Risk Management and ESG Function.

Organisational Management System

The AGSM AIM Group, in pursuing the continuous improvement of the quality of services provided, and in order to limit its own social and environmental impact, adopted the main standards based on ISO standards. Moreover, in consideration of the activities carried out, the AGSM AIM Group is subject to regular checks by the Regional Environmental Protection Agencies of the regions in which the Group operates.

COMPANY	9001:2015 Quality Management System	14001:2015 Environmental Management System	45001:2018 Occupational Health and Safety Management System
AGSM AIM	√	√	√
AGSM AIM Energia	√	-	-
AGSM AIM Smart Solutions	√	√	√
AGSM AIM Calore	√	√	√
AGSM AIM Power	√	√	√
EcoTirana	√	√	√
SIT	√	√	√
SERIT	√	√	√
SIA	√	-	√
Transeco	√	√	-
Valore Ambiente	√	√	-
V-Reti	√	√	√

Table 6 - ISO Management Systems adopted by the AGSM AIM Group

It should be noted that the subsidiary EcoTirana has obtained the **SA 8000:2014** certification (valid until 29 January 2026), which certifies the company's management related to corporate social responsibility.
AGSM AIM Calore also obtained **F-GAS certification** (expiring on 31 January 2027) on the management of fluorinated greenhouse gases, which certifies the ability to manage the installation, repair, maintenance or support, and decommissioning of fixed cooling and air-conditioning equipment and fixed heat pumps with a maximum load size with no limits in kilograms.
In addition, the two subsidiaries of the Group, AGSM AIM Smart Solutions and SIT, obtained **certification from the certifying body (SOA)**, which is mandatory in order to submit bids for public works contracts. This certification proves the company's capacity to carry out, either directly or through subcontractors, public works subject to a starting price, for the submission of bids, of more than Euro 150,000, and it guarantees that the company meets all of the requirements established by current legislation governing public works contracts.

COMPANY	REFERENCE LAW	NO. OF CERTIFICATE	DATE OF ISSUE	DATE OF EXPIRY	CATEGORY	CLASS
AGSM AIM Smart Solutions	Italian Consolidated Act on Tender Procedures	SOA-certificate 8949/57/01	20/02/2024	19/02/2029	OG10	IV
SIT	Italian Consolidated Act on Tender Procedures	SOA-certificate 20494/16/00	25/05/2022	24/05/2027	OG9-OS14	II

Table 7 - SOA certificates obtained by the AGSM AIM Group

1.4.4 Risk management and internal controls relating to the Consolidated Sustainability Report

[ESRs 2 – GOV-5 DP 36a, 36b, 36c, 36d, 36e]

Within the AGSM AIM Group, responsibility for managing the Consolidated Sustainability Reporting process lies with the Risk Management and ESG function, which is part of the Parent Company's Finance & Control Department. This function includes, among others, a dedicated team of resources specifically focused on sustainability reporting & monitoring, called the **ESG Team**, which is responsible for overseeing and coordinating, in collaboration with the Group's various corporate departments and Business Units, the different phases of analysing and identifying relevant issues, collecting data and information to be reported, as well as preparing the Consolidated Sustainability Report.

The Consolidated Sustainability Reporting process is defined and formalised within a specific company procedure that outlines the roles and responsibilities assigned to the various parties involved, as well as the timelines and operational methods to be followed annually for preparing the Consolidated Sustainability Report. The Consolidated Sustainability Reporting process helps ensure adequate oversight of the reporting areas most exposed to the risk of material errors, which are significant for non-financial disclosure.

The data and information contained in the Consolidated Sustainability Report are subject to internal controls to ensure the reliability, accuracy, dependability, and timeliness of the non-financial information provided, for the benefit of the Group's stakeholders.

The Company's **Board of Directors** reviews and approves the Double Materiality Analysis, which includes the list of material sustainability issues, as well as the Consolidated Sustainability Report, taking into due consideration the results achieved and any deviations from the planned objectives.

The **Board of Statutory Auditors** monitors compliance with the provisions set out in Legislative Decree 125/2024 (articles 3, 4, 5, and 8) concerning corporate sustainability reporting, as well as the process of preparing and publishing the sustainability report. It exchanges information with the statutory auditor responsible for certifying the Consolidated Sustainability Report regarding the planning of related activities and the scope of controls applied to the group companies whose data are included in the document.

The **auditing firm** is tasked with conducting a limited review of the Consolidated Sustainability Report document pursuant to articles 3, 4, and 8 of Legislative Decree 125/2024, with the purpose of issuing its attestation report on the compliance of the sustainability reporting in accordance with article 14-bis of Legislative Decree 27 January 2010, no. 39, titled "Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, amending Directives 78/660/EEC and 83/349/EEC, and repealing Directive 84/253/EEC" (hereinafter also "Legislative Decree 39/2010"). Specifically, article 14-bis of Legislative Decree 39/2010 requires that this report includes the auditor's conclusions regarding: i) the compliance of the sustainability reporting with the rules set out in the legislative decree adopted pursuant to article 13 of Law 21 February 2024, no. 15 (Delegation to the Government for the implementation of European directives and other acts of the European Union – European Delegation Law 2022-2023), which govern the criteria for its preparation; ii) compliance with the disclosure obligations established by article 8 of Regulation (EU) 2020/852 of the European Parliament and Council, dated 18 June 2020, concerning the reporting of information related to the so-called European Taxonomy of environmentally sustainable activities.

In the central Departments, Business Units, and organisational units, particular figures called **Focal Points** have been appointed to fulfil the role of data owners for the information and data covered by the Consolidated Sustainability Report. The Focal Points are responsible for overseeing the collection, preliminary processing, and provision of non-financial data and information to the ESG Team, taking accountability for the quality and reliability of the data. They also plan appropriate control and verification activities on the data itself and on the related collection and preliminary processing procedures.

The ESG Team is therefore responsible for assessing the adequacy and consistency of the data and information received, including any deviations from the planned objectives and/or performance in previous periods, highlighting the need to explain such deviations and, more generally, to comment on the Group's non-financial performance.

The Finance & Control Department, supported methodologically and operationally by the Risk Management and ESG function, considers the results of the identification and assessment of corporate risks according to the Enterprise Risk Management model adopted at Group level, suitably integrated with insights from the Double Materiality Analysis concerning impacts, risks, and opportunities, and integrates them with periodic intra-annual control and monitoring activities performed on the data and information subject to Consolidated Sustainability Reporting. Moreover, each Department, Business Unit, and organisational unit, within their respective areas of responsibility, is directly involved in the collection, processing, and verification activities concerning the reliability, accuracy, and dependability of the data and information to be reported, committing to adhere to the deadlines set by the company's financial calendar for interim and year-end closings. Similarly, the Control, Compliance, and Internal Audit functions schedule and carry out periodic auditing activities to verify compliance with current regulations, as well as company processes and procedures.

Among the main risks identified relating to the preparation process of the Consolidated Sustainability Reporting are: i) the collection of incorrect and/or incomplete data and/or information, or data that is not properly aggregated and consolidated; ii) the incorrect, delayed, or incomplete definition of the reporting and consolidation perimeter; iii) potential delays in identifying the Focal Points / data owners to be involved in the collection of ESG datapoints / KPIs; iv) failure to meet the deadlines set in the company financial calendar and/or delays in the provision of data and information by the

Focal Points / data owners; v) shortcomings in archiving documentary evidence capable of ensuring traceability of the data and information to be reported; vi) inconsistency between the levels of analysis and the scope of stakeholders potentially to be considered in the Double Materiality Analysis throughout the value chain, compared with the third parties that actually interact with our Group and over which it is possible to exert direct influence; vii) failure and/or delayed updating of company operational procedures, etc.

As part of the continuous improvement of its Internal Control and Risk Management System, including those related to sustainability reporting, the Company has planned to implement specific actions aimed at enhancing the overall quality of sustainability reporting, as well as the reliability, accuracy, and dependability of the reported data and information, and to increase the efficiency and digitalisation of the Consolidated Sustainability Reporting preparation process, in particular:

- periodic updating of company operational procedures related to the Consolidated Sustainability Reporting preparation process, as well as the integration, within the same documents, of the latest best practices adopted and/or referenced in the market regarding sustainability reporting;
- review and update of the mapping of databases and applications used for managing relevant data and information by the central Directorates, Business Units, and organisational units involved in various capacities through their respective Focal Points / data owners;
- development and implementation of a new software system for the digital and, where possible, automated management of the Consolidated Sustainability Reporting, designed to support and facilitate the work carried out by all resources involved in the sustainability reporting process, both annual and interim;
- periodic review of the sustainability reporting methodology in line with recognised best practices;
- periodic updating of the Double Materiality Analysis;
- establishing an increasingly broad and effective stakeholder engagement process.

2. Environmental information

2.1 Climate change – ESRS E1

[ESRS_2, DR SBM-3, DP 48a]
[ESRS_2, IRO-1, DP 20a, 20b, 20c, 21]

Within the Double Materiality Analysis (DMA) conducted in 2024, and with the aim of identifying impacts, risks, and opportunities related to climate change, the Group carried out a thorough mapping of business operations and activities along the upstream and downstream value chain. This process enabled the identification of the most significant areas in terms of total greenhouse gas emissions generated and those potentially exposed to climate-related events. The analysis conducted by the Group did not consider climate scenarios but serves as a structured foundation for more detailed assessments in the future.
The following table lists the impacts, risks, and opportunities related to climate change that the AGSM AIM Group has identified and assessed as significant, as described in paragraph 1.3 Relevant Sustainability Topics.

Results of the impact materiality assessment

					Value Chain Stage		
ESRS	**Sustainability topic**	**Description**	**IRO**	**Time horizons**	**Upstream**	**Own operations**	**Downstream**
E1	Climate change mitigation	The business activities carried out by the Group generate Scope 1 GHG emissions that have a direct impact on climate change (for example, electricity production at gas-fired thermal power plants, cogeneration of energy and heat for district heating networks).	Current negative impact	Short, Medium and Long Term		✓	
E1	Climate change mitigation	The business activities carried out by the Group produce Scope 2 GHG emissions that have a direct impact on climate change (for example, purchasing electricity from the market to supply its plants and operational sites).	Current negative impact	Short, Medium and Long Term		✓	
E1	Climate change mitigation	Scope 3 indirect greenhouse gas emissions arising from extraction, production, and transportation activities within the AGSM AIM Group's supply chain, resulting in an impact on overall atmospheric greenhouse gas concentrations and global warming.	Current negative impact	Short, Medium and Long Term	✓		
E1	Climate change mitigation	Scope 3 indirect greenhouse gas emissions resulting from the use of goods and services offered by the AGSM AIM Group, impacting the overall concentration of greenhouse gases in the atmosphere and contributing to global warming.	Current negative impact	Short, Medium and Long Term			✓
E1	Climate change mitigation	Gas leaks in the distribution network (so-called fugitive methane emissions) further exacerbate global temperature increases and the resulting impacts of climate change.	Current negative impact	Short, Medium and Long Term	✓	✓	

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
E1	Energy	Energy production operations and maintenance of energy infrastructure, including generation and distribution plants, require the use of fossil fuel energy, resulting in a negative environmental impact.	Current negative impact	Short, Medium and Long Term	✓	✓	
E1	Energy	Environmental management activities, such as waste treatment, require significant energy use. This energy, obtained mainly from fossil sources, negatively impacts the climate and the environment.	Current negative impact	Short, Medium and Long Term		✓	
E1	Energy	Energy-intensive activities upstream in the value chain that involve the use of fossil fuel energy generate a negative environmental impact (e.g. the production of metallic materials for plant construction and the extraction of fossil resources).	Current negative impact	Medium and Long Term	✓		
E1	Energy	The use of energy downstream by end users generates a negative environmental impact (ref. national energy mix).	Current negative impact	Short, Medium and Long Term			✓

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
E1	Climate change mitigation	Failure to achieve decarbonisation targets due to both internal organisational factors and external influences (such as changes in the social, political, and economic context).	Risk	Medium and Long Term		✓	
E1	Climate change adaptation	Rising temperatures may pose a significant risk to workers' health and safety, increasing the likelihood of heatstroke and other temperature-related illnesses. This can lead to reduced productivity and increased healthcare costs.	Risk	Short, Medium and Long Term		✓	
E1	Climate change adaptation	Rising temperatures can cause overheating of control units, compromising their efficiency and reliability. Similarly, servers may overheat due to increased temperatures, resulting in breakdowns and disruptions to service. Ultimately, rising temperatures result in increased costs for cooling distribution systems and servers.	Risk	Short, Medium and Long Term		✓	

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
E1	Climate change adaptation	The gradual rise in average temperatures (e.g. milder winters) may lead to reduced demand for district heating services (such as lower consumption resulting	Risk	Short, Medium and Long Term		✓	

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
		in a higher proportion of fixed/variable costs, decreased use and efficiency of cogeneration plants, a shorter heating season in winter, and consequently delayed start-up or early shutdown of plants, etc.).					
E1	Climate change mitigation	Failure or inadequate identification and management of risks and opportunities related to climate change and the associated transition process by the Group and its Business Units, as well as throughout the entire value chain.	Risk	Medium and Long Term	✓	✓	✓
E1	Climate change mitigation	The implementation of government restrictions aimed at supporting the transition to a low-carbon economy could cause delays in project management for AGSM AIM, resulting in reduced revenues and increased costs (for example, expenses related to plant upgrades and decommissioning).	Risk	Medium and Long Term		✓	
E1	Climate change mitigation	The European Emissions Trading System (ETS) may impose additional costs on companies that exceed their emission limits, thereby increasing operational expenses.	Risk	Short and medium term		✓	
E1	Energy	The trend towards electrification of consumption may require investments in upgrading, enhancing resilience, and expanding electrical infrastructure, as well as improving or increasing the capacity of electricity distribution networks to manage rising demand. It may also require the development of new technologies and solutions to improve energy efficiency and meet the evolving demands of the market.	Risk	Medium and Long Term	✓		
E1	Energy	The trend towards electrification of consumption may lead to a reduction in investments in gas distribution networks (except for changes in the gas mix with other molecules/sources, such as green hydrogen or biomethane), resulting in lower profitability.	Risk	Medium and Long Term	✓		
E1	Energy	The development of new renewable energy capacity (photovoltaic, wind, hydroelectric) enables meeting the growing demand for sustainable energy, potentially leading to increased revenues and greater market competitiveness.	Opportunity	Short and medium term		✓	
E1	Energy	The increasing focus on energy efficiency and the tightening regulations on energy consumption present a potential growth opportunity for companies investing in innovative solutions to promote energy efficiency for residential customers, apartment blocks, public administrations, and industrial clients, while seeking further expansion in strategic markets.	Opportunity	Short, Medium and Long Term		✓	
E1	Energy	Opportunity linked to the promotion of Renewable Energy Communities (RECs) in the target areas. Achievable through collaboration among the Group's various Business Units, aimed at supporting investments and fostering dialogue with stakeholders, particularly public authorities, by accessing available public incentives.	Opportunity	Medium and Long Term		✓	
E1	Energy	Opportunity to receive incentives for the energy transition, aimed at adapting and optimising infrastructure while reducing initial investment costs and improving project profitability. This opportunity arises from growing market awareness of sustainability and the evolving regulatory framework.	Opportunity	Medium and Long Term		✓	
E1	Energy	Opportunity linked to the introduction of zonal electricity tariffs, which will encourage investment in renewable energy and more sustainable production infrastructure.	Opportunity	Short and medium term		✓	

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
E1	Energy	The growing demand for renewable energy positively impacts the sale of electricity and the generation from renewable sources, potentially leading to increased revenues.	Opportunity	Short and medium term		✓	

2.1.1 Strategy

[ESRS_2, DR SBM-3, DP 18, DP 19]
[ESRS_2, DR SBM-3, DP 48f]
[ESRs E1, DR E1-1, DP 14, 17]
[ESRS_E1-4 Targets related to climate change mitigation and adaptation]
[ESRs E1, DR E1-4, DP 33]

To date, the AGSM AIM Group has not yet developed a Transition Plan that ensures the compatibility of its strategy and business model with the transition to a sustainable economy and the decarbonisation commitments undertaken by Italy and Europe.
Within the development and design activities of the Group's individual production plants, both completed and/or under construction, any foreseeable impacts arising from climate change have been analysed to be taken into account from the outset in the final design, thereby reducing the need to subsequently adopt adaptation and mitigation measures for physical climate risks; the analyses carried out are periodically updated to reflect the evolving current and future context over the useful life of each plant.
In the coming years, the Group intends to further strengthen its strategy for adapting to and mitigating climate risks by defining its model for sustainable and resilient growth.

The fight against climate change is a central pillar of the company's strategy and has already been integrated into the guidelines of the 2022-2025 Business and Strategic Plan, as well as, as described in previous chapters, into the Enterprise Risk Management (ERM) system, within which climate-related risks are specifically analysed and managed by the cross-functional working group coordinated by the Risk Management and ESG Function.

During the 2024 financial year, as introduced in the chapter on General Information (see 1.3 RELEVANT SUSTAINABILITY TOPICS), the Group conducted a Double Materiality Analysis, which involved a more in-depth evaluation process of risks related to climate change. This assessment considered not only the climate and environmental risks linked to the company's activities but also took into account the entire value chain. The analysis enabled the identification of the main physical risks, related to both chronic and acute adverse climatic events, as well as transition risks linked to the shift towards a more sustainable economy, providing a comprehensive overview of the implications for the Group's various business lines.

Presented below is a table that details the relevant climate risks found during the analysis, divided into physical and transition risks, with the corresponding time horizons.

Type of Risk	Description	Time horizons
Transition risk	Failure to achieve the **decarbonisation targets** due to factors both internal to the organisation and external (such as changes in the social, political, and economic context).	Medium and Long Term
Physical risk	The **rise in temperatures** can pose a significant risk to workers' health and safety, increasing the likelihood of heatstroke and other heat-related illnesses. This may lead to reduced productivity and increased healthcare costs.	Short, Medium and Long Term
Physical risk	The **rise in temperatures** can cause the overheating of substations, compromising their efficiency and reliability. Similarly, servers can overheat due to rising temperatures, leading to malfunctions and service interruptions. Ultimately, rising temperatures result in increased costs for cooling distribution systems and servers.	Short, Medium and Long Term
Transition risk	The progressive **rise in average temperatures** (e.g. milder winters) may lead to a reduced demand for district heating services (e.g. lower consumption resulting in a higher incidence of fixed/variable costs, reduced use/effectiveness of cogeneration plants, a shortening of the winter heating season, and consequent delayed start-up / early shutdown of plants, etc.).	Short, Medium and Long Term
Transition risk	Failure or inadequate identification and management of risks and opportunities related to **climate change** and the associated transition process by the Group and its Business Units, as well as throughout the entire value chain.	Medium and Long Term
Transition risk	The implementation of **government restrictions** aimed at supporting the transition to a low-carbon economy could cause delays in project management for AGSM AIM, resulting in reduced revenues as well as increased costs (for example, expenses related to the upgrading and decommissioning of plants).	Medium and Long Term
Transition risk	The **European Emissions Trading System** (ETS) may impose additional costs on companies that exceed their emission limits, thereby increasing operational expenses.	Short, Medium and Long Term

Table 8 - Physical and transition risks related to climate change

At present, the Group has not yet set specific quantitative targets regarding GHG emissions. However, based on the analyses carried out, the Group has identified the following strategic growth drivers.

- Strengthening of the green vocation, with 100% of the investments in the generation from renewable sources, development of the circular economy and extension of the district heating networks.
- Continuous improvement of the commercial offer with the expansion of smart and innovative services.
- Investments in the digitisation of gas and electricity networks.
- Increasing energy customers by 2025.

To support these commitments and to actively contribute to achieving the United Nations Sustainable Development Goal of "Affordable and Clean Energy" (SDG 7), the Group has planned investments in the installation of new nominal capacity that will enable it to reach at least 51% renewable energy sources (totalling 198 MW of installed capacity, excluding cogeneration plants). Specifically, the investments will focus on new photovoltaic and wind power plants, as well as the efficiency improvements of existing hydroelectric facilities. For additional information on the AGSM AIM Group's climate change mitigation investments, please see chapter 1.13 "Operational Outlook" in the Report on Operations.

The Group strives to drive the energy transition by increasing, through its subsidiary AGSM AIM Power, the share of electricity generated from renewable sources and the coverage of the Group's overall energy demand. To confirm this commitment, it is actively involved in the development and management of low-emission production systems, supported by research and innovation of the best available technologies, as well as by offering its customers the most efficient solutions and technologies aimed at energy optimisation and the gradual decarbonisation of consumption, supporting them throughout the ecological transition.

The AGSM AIM Group is committed to making its infrastructures increasingly resilient and able to remain available even in times of climate emergency, ensuring the continuous provision of essential services and helping to mitigate the effects of climate change in the territories where it is present with its assets.

2.1.2 Impacts, risks and opportunities management

[ESRS E1-2 – Policies related to climate change mitigation and adaptation]
[ESRS_E1, DR E1-2, DP 25]
[ESRS_E1-3 – Actions and resources in relation to climate change policies]
[ESRS_E1, DR E1-3, DP 29a, 29b]

The Group sets out principles and guidelines for managing significant impacts, risks, and opportunities related to climate change through its Code of Ethics, Sustainability Management Policy, and Environmental Protection Policy, which define strategies for climate change mitigation and adaptation, energy efficiency, consumption reduction, and the use of renewable energy sources.

These policies, which apply to the Parent Company and to the subsidiaries that fall within the scope of consolidation, highlight AGSM AIM's commitment to enhancing its environmental performance by implementing improvement plans aimed at containing and reducing greenhouse gas emissions, continuously improving the energy efficiency of its premises and facilities, and gradually replacing its fleet with low-emission vehicles.

As part of its own operations, the AGSM AIM Group has also adopted an ISO 14001:2015-certified environmental management system, designed to ensure a set of control measures aimed at continuous improvement and the prevention of accidents and emergency situations. In this context, the Group has defined and adopted operational procedures aimed at regulating roles and responsibilities for mitigating environmental impacts and/or risks to both the environment and the organisation. The Group's key operational procedures include the following:

- PO.0035 – Monitoring of greenhouse gas (CO_2) emissions from cogeneration plants.
- Atmospheric emissions monitoring system, which outlines the functional requirements and specifications of the monitoring system in compliance with Annex VI, Part V, of Legislative Decree 152/2006 (Environmental Consolidation Act).

The AGSM AIM Group promotes climate change mitigation strategies in order to reduce climate-changing emissions that have a direct impact on the quality of the environment in which we live. It pays great attention and makes important investments in developing renewable sources in order to create a more sustainable energy system, less dependent on fossil fuels and, therefore, less polluting. The Group has demonstrated its commitment through several climate change mitigation initiatives, notably including:

- **Green Hydrogen Venice**
- During the 2024–2025 period, thanks to the joint venture "Green Hydrogen Venice" established in partnership with the ENI Group, AGSM AIM Group is committed to building a green hydrogen production plant that will supply around 90 hydrogen buses dedicated to local public transport operated by AVM (Azienda Veneziana della Mobilità S.p.A.).
- Starting from July 2026, the vehicles will be used to provide urban local public transport for the Municipality of Venice - Mestre.
- Green hydrogen will be produced by a water electrolysis plant (so-called PEM electrolyzers – proton exchange membrane) that will use exclusively electricity from renewable sources.
- **Wind power plant at Monte Giogo di Villore**
- The AGSM AIM project involves the installation of seven wind turbines, with a hub height of about 95 meters, on the Mugellano ridge between Monte Giogo di Villore and Monte Giogo di Corella which, with a total power of 29.6 MW, will produce about 80 million kWh per year, saving, every year, 16 million cubic meters of gas and emissions of 40 thousand tonnes of CO_2 (approximately the amount consumed by ten thousand average Italian families in a year). The Monte Giogo di Villore plant will allow the AGSM AIM Group to grow in the renewable sector and is part of the projects envisaged in the Business Plan that allocates 100% of the planned investments in the power generation sector to the construction of new plants from renewable sources.

2.1.3 Metrics and targets

[ESRS_E1, DR E1-5, DP 37, 37a, 37b, 37c, 37c, 38a, 38b, 38c, 38d, 38e, 39, 40, 41, 42, 43]
[ESRS_E1, DR E1-6, DP 44, 47, 48a, 48b, 49a, 49b, 50, 52a, 52b, 53]

Group energy consumption

The Group's **direct energy consumption** refers to the use of fuel for generating electricity and heat in the Group's owned facilities (such as cogeneration and thermoelectric plants), as well as non-renewable primary energy flows not directly linked to energy production (for example, energy used for heating premises and for the Group's vehicles, employed both for staff transport and company activities like waste collection, etc.). **Indirect energy consumption**, i.e. the electricity that the Group purchases and consumes, refers to the Group's production sites and plants. In 2024 as well, the electricity consumed by the Group comes from renewable sources, certified by Guarantees of Origin, except for the electricity used by the Mincio thermoelectric power plant, which the Group owns 50% of but does not have operational control over.

With the aim of reducing its environmental footprint, the Group certified the electricity used for its activities through the purchase of green certificates; these certificates cover a good part of the Group's electricity requirements[16]. A total of 28,158 green certificates were purchased.

The AGSM AIM Group's **company fleet** is made up of vehicles of different types and power supplies; this differentiation derives from the heterogeneity of the services offered, which necessarily require the adoption of different technologies. From 2023 onwards, the Group has been able to identify and quantify, within its direct energy consumption, that attributable to company cars provided as fringe benefits.[17]
The company vehicle fleet is subject to particular attention by the Group, which is committed to gradually reducing atmospheric emissions deriving from road traffic, through the systematic renewal of the most polluting vehicles and the improved and more efficient management of travel between company premises.

In 2024, energy consumption totals 42,451 MWh (for further details, please refer to Appendix 2 – Performance Indicators). The share of internally consumed energy derived from fossil fuels is 10% of the total, while the share from renewable sources accounts for 90%.

According to the provisions of Commission Delegated Regulation (EU) 2022/1288, all companies within the Group are classified as belonging to the "high climate impact" sectors. The energy intensity is calculated by taking into account the energy consumption and the net revenue value of the Group, resulting in 0.45 MWh per million €. The energy intensity index was calculated based on the revenue value reported in this Annual Financial Report of the AGSM AIM Group for the 2024 financial year.
The total gross electricity generated by the Group's plants in the 2024 financial year amounts to 560,915 MWh, including the energy required to cover the consumption necessary for production operations (auxiliary consumption).
In particular, electricity production from renewable sources[18] in the 2024 financial year amounted to 317,593 MWh, representing 56.6% of the total. Electricity production from cogeneration accounts for 31.8% of the total energy generated during the reporting period. Finally, the electricity produced by the thermoelectric power plant accounts for 11.6% of the total generated.

In the 2024 financial year, the AGSM AIM Group produced 309,328 MWht of thermal energy through its cogeneration plants.

The Group's greenhouse gas emissions

The use of fossil fuels is one of the main contributors to climate change; reducing their use, in synergy with the spread of energy-efficient technologies, is strategic for the reduction of the greenhouse effect, due primarily to climate-altering gases.

The AGSM AIM Group is committed to reducing emissions from its activities, ensuring accurate reporting of its performance in order to guarantee transparency and continuous improvement.

AGSM AIM monitors direct emissions (Scope 1) and indirect emissions (Scope 2 and Scope 3).

Scope 1: Scope 1 emissions – originating from sources controlled by the Group – mainly stem from fuels used in waste treatment plants and facilities for energy and heat production, as well as fuel consumption by the company vehicle fleet and methane used for heating buildings at various sites and for other production-related activities. Scope 1 emissions of the AGSM Group also include GHG emissions from plants subject to the EU-ETS regulation (Directive 2003/87/EC): the proportion of Scope 1 greenhouse gas emissions covered by regulated emission trading systems is 65.3%.

Scope 2: Scope 2 emissions include emissions attributable to electricity purchased from third party suppliers and consumed both in the Group's plants and in the company's offices. These emissions, calculated using the market-based method, are zero thanks to the full coverage of consumption through the purchase of energy from renewable sources certified by Guarantees of Origin.

Scope 3: Starting from the 2023 financial year, the AGSM AIM Group has begun mapping and analysing indirect GHG emissions, which relate to emission sources not under direct company control but are indirectly caused along our value chain by the conduct of business activities. Therefore, this includes emissions upstream – such as emissions caused by the extraction, production and transport of raw materials – and downstream – such as emissions generated by using products sold – of company activities. The objective is to extend reporting and therefore monitoring – progressively – to this area of GHG emissions, thus completing the measurement of its carbon footprint necessary to structure the Group's decarbonisation strategy.

AGSM AIM carried out an analysis of the internal and external relevance of each of the categories defined by the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" (revised edition). In particular, the

[16] The certificates cover 73.5% of the Group's consumption, including the Mincio thermoelectric power plant over which the Group does not exercise operational control. Excluding the latter from the scope, the GOs cover 99% of the needs.
[17] With regard to the consumption of cars as fringe benefits, the Group has estimated that it is responsible for 70% of the fuel used in the vehicle for mixed use.
[18] The value of renewable energy production stated includes energy from the Power Business Unit's plants (316.6 MWh) and a number of smaller facilities managed by other Group entities (1.0 MWh).

significance for the Group of the emission sources described in the categories of Scope 3 was evaluated by taking into account, among others, the following criteria: magnitude of the reference category compared to the total emissions produced; the contribution of the category to the Group's risk exposure (e.g. climate-related, financial and/or regulatory risks); the level of significance of the emission source dictated by the specific characteristics of the sector to which it belongs; and, finally, the accessibility of the data.

At the same time, the Group is also committed to progressively improving the quality of the data used and refining the estimation of emissions.

The Group's total greenhouse gas emissions (Scope 1, Scope 2 market-based, and Scope 3) in 2024 amount to 4,405,640 tonnes of CO_2e.
Specifically, the emissions directly produced by the Group (Scope 1) amount to 192,847 tonnes of CO_2e, representing 4.2% of the Group's total emissions.
Indirect emissions from the electricity consumed by the Group (Scope 2), calculated using the market-based method, amount to 2,114 tonnes of CO_2e. When calculated using the location-based method, applying the national average emission factor for electricity consumption (235.6 g CO_2/kWh), which does not take into account the company's specific procurement decisions, Scope 2 emissions amount to 10,714 tonnes.
Indirect emissions caused by the Group's activities along the value chain (Scope 3) amount to 4,210,679 tonnes of CO_2e, representing 95.8% of the Group's total emissions.

The methodology for calculation adopted is based on the GHG Protocol, applying specific methods for each category, as follows:
- **Category 1 – Purchased Goods and Services:** Emissions were estimated using a spend-based approach, applying specific emission factors for each product category. For the natural gas purchased, a specific method was adopted that takes into account the upstream emissions associated with the production, transport, and storage of the fuel.
- **Category 2 – Capital goods:** A spend-based approach was applied, linking the costs to their respective emission factors.
- **Category 3 – Fuel and energy related activities:** Emissions were calculated based on actual fuel consumption, with emission factors differentiated according to the type of fuel used.
- **Category 5 – Waste generated in operations:** Emissions were estimated by considering the quantities of waste produced and sent to third-party facilities, using specific emission factors for each type of waste and final treatment.
- **Category 6 – Business travel:** Emissions were estimated based on the distances travelled by employees for work purposes, applying different emission factors according to the mode of transport used.
- **Category 7 – Employee commuting:** The calculation was carried out assuming, in the absence of detailed data on the mode of transport, exclusive use of private cars. With regard to the calculation of emissions for EcoTirana, in the absence of data on distances travelled and the mode of transport used, estimates were made based on a previous local study.
- **Category 11 – Use of sold products:** Emissions were estimated based on the volumes of gas and biomethane sold, using specific emission factors associated with the combustion of the product by end users.

For the following categories of indirect emissions, the AGSM AIM Group is committed to continuously monitoring the operating context and the relevance of these emission categories, activating, if deemed necessary, appropriate analysis and data collection activities to enable the estimation and reporting of such emissions starting from the next financial year:
- **Category 4 - Upstream transport and distribution:** Emissions resulting from the transportation and distribution of products purchased by the reporting company during the reference year, between the company's suppliers and its own operations.
- **Category 8 - Upstream leased assets:** Emissions resulting from the operation of assets leased by the company.
- **Category 10 – Processing of sold products:** Emissions resulting from the processing of intermediate products sold by third parties (for example, manufacturers) following their sale by the reporting company.
- **Category 15 – Investments:** Emissions associated with the reporting company's investments during the reference year, excluding those covered under Scope 1 and Scope 2.

Finally, the following categories of emissions were deemed neither applicable nor relevant for the AGSM AIM Group and were therefore not estimated.
- **Category 9 - Downstream transport and distribution:** Emissions resulting from the transport and distribution of products sold by the reporting company during the reference year, between its operations and the final consumer.
- **Category 12 - End of life treatment of sold products:** Emissions resulting from the disposal and treatment of waste from products sold by the reporting company at the end of their life cycle.
- **Category 13 - Downstream leased assets:** Emissions resulting from the operation of company-owned assets leased to third parties.
- **Category 14 – Franchises:** Emissions resulting from franchising activities not included in Scope 1 or Scope 2.

The AGSM AIM Group is nevertheless committed to continuously monitoring the context in which it operates and the relevance of these emission categories, initiating, if deemed necessary, appropriate analysis and data collection activities in order to enhance the reporting of Scope 3 indirect emissions.

2.2 Pollution - ESRS E2

2.2.1 Impacts, risks and opportunities management

[ESRS_2, DR SBM-3, DP 48a]
[ESRS_E2-1 – Policies related to pollution]
[ESRS_E2-2 – Actions and resources related to pollution]
[ESRS_2, DR IRO-1, DP 11a, 11b]

The following table lists the impacts, risks, and opportunities related to pollution that the AGSM AIM Group has identified and assessed as material following its Double Materiality Analysis (DMA) conducted in 2024, as described paragraph 1.3 Relevant Sustainability Topics.

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage		
					Upstream	Own operations	Downstream
E2	Microplastics	The use of multiple operational vehicles (for example, for plant maintenance and waste collection) in Italy and Albania contributes to the dispersion of microplastics, resulting from the friction of tyres on the ground.	Current negative impact	Short Term		✓	
E2	Microplastics	Contamination of water sources and soil can be caused both by waste collection operations using the Environment BU's transport vehicles and by similar collection and disposal activities carried out by other companies using the waste treatment facilities of Environment BU. The wear of tyres from customers' cars using the Group's charging stations can also cause similar harmful environmental impacts.	Current negative impact	Short, Medium and Long Term	✓	✓	✓
E2	Pollution of air	The combustion of fuel in upstream operations (such as the industrial production of plants, infrastructure, and related components) generates hazardous air pollutants (HAP), criteria air pollutants (CAP), and volatile organic compounds (VOC), which can degrade air quality and further contribute to the environmental impacts of climate change.	Current negative impact	Medium and Long Term	✓		
E2	Pollution of air	The combustion of fuel in electricity generation operations produces hazardous air pollutants (HAP), criteria air pollutants (CAP), and volatile organic compounds (VOC), which can degrade air quality and further contribute to the environmental impacts of climate change.	Current negative impact	Medium and Long Term		✓	

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
E2	Pollution of air	Harmful air emissions produced by activities (such as cogeneration heat and electricity) may lead to penalties, increased compliance costs, and capital expenditures for installing new monitoring technologies, resulting in a negative financial impact on the company.	Risk	Short, Medium and Long Term		✓	
E2	Microplastics	Operations of the Heat and Environment BUs may pose a risk of contamination to water sources and soil, potentially leading to sanctions, remediation and restoration costs, and/or reputational damage.	Risk	Short, Medium and Long Term		✓	

[ESRS_E2, DR E2-1, DP 15a, 15c]
[ESRS_2, MDR-P, DP 65 a, 65 b, 65 c, 65 d, 65 e, 65 f]
[ESRS_E2, DR E2-2, DP 19]
[ESRS_E2, DR E2-4, DP 30a, 30b, 30c]

The Group has formalised its commitment to reducing environmental impact, with particular focus on controlling air pollution, through the Environmental Protection Policy which outlines the values and principles guiding the Group's business model aimed at promoting sustainable and responsible behaviours towards the environment, minimising environmental impacts and optimising the use of energy and natural resources.

To ensure effective implementation of the Environmental Protection Policy, the policy is circulated among all the Group's subsidiaries for their awareness and adoption. Moreover, it is shared with all stakeholders to ensure transparency and collaboration with those involved in the value chain, both by publishing on the company's *website* and by sending specific communications (where deemed necessary and appropriate).

As mentioned in paragraph 2.1 "CLIMATE CHANGE – ESRS E1", within its own operations, the AGSM AIM Group has implemented an environmental management system certified to ISO 14001:2015. In this context, the Group has defined and adopted operational procedures aimed at regulating roles and responsibilities for mitigating environmental impacts and/or risks to both the environment and the organisation. The Group's key operational procedures include the following:

- Operational Procedure 0066, which outlines the criteria adopted for conducting environmental controls in cogeneration plants;
- Operational Procedure 0068, which identifies the processes and responsibilities for sampling and analysing air pollutants within cogeneration plants;
- Operational Procedure 0220, which defines the intervention procedures in case the threshold values set for emissions from the Group's cogeneration plants are reached or exceeded.

In accordance with the adopted operational procedures and in compliance with the Integrated Environmental Permits (IEPs), the Group implements strict measures to control atmospheric emissions. These measures include ongoing monitoring of emissions, the implementation of advanced filtration and purification systems, and the adoption of operational practices aimed at minimising the environmental impact of industrial activities.

To prevent negative impacts related to pollutants emitted during processes, he Group has adopted dedicated advanced filtration and purification technologies. These systems are installed in the cogeneration plants, the biomethane production facility, and the waste treatment plants.

Through the monitoring and control plans (MCP) defined by the adopted and implemented operational procedures, the Group periodically measures pollutants and production process parameters in accordance with the sector's Best Available Techniques (BAT), as outlined in Commission Implementing Decision (EU) 2017/1442 of 31 July 2017. In particular, the PMCs establish:

- self-monitoring carried out by the plant operator;
- inspections by the competent authority, with costs borne by the operator;
- Submission of data necessary to verify the plant's compliance with the conditions set out in the Integrated Environmental Authorisation (IEA).

2.2.2 Metrics and targets

[ESRS_E2, DR E2-3, DP 23a]
[ESRS_E2, DR E2-4, DP 28a, 28b]
[ESRS_E2, DR E2-3, DP 28b]

As mentioned earlier, the Group has monitoring systems in place to track pollutant emissions from its facilities. Specifically, the substances subject to monitoring are:

- Nitrogen oxides (NO2X).
- Carbon Monoxide (CO).
- Oxygen (O2).
- Sulfur dioxide.
- Dust.

In the reporting year, no instances of exceeding the permitted emission thresholds indicated in Annex II of Regulation (EC) No 166/2006 were recorded. With regard to the potential dispersion of microplastics resulting from the friction between the tyres of its operational vehicles (such as those used for waste collection) and the ground, the AGSM AIM Group is committed to monitoring and reporting the volumes of microplastics generated starting from the next reporting period.

As part of its Net-zero Strategy development process, the AGSM AIM Group will define both final and intermediate decarbonisation targets in terms of CO_2e, also taking into account the aforementioned pollutant gas emissions.

2.3 Water and marine resources – ESRS E3

2.3.1 Impacts, risks and opportunities management

[ESRS_2, DR SBM-3, DP 48a]
[ESRS_ 2, DR IRO-1, DP 8a, 8b]

The following table lists the impacts, risks, and opportunities related to water and marine resources that the AGSM AIM Group has identified and assessed as material, following its Double Materiality Assessment (DMA) carried out in 2024, as described in Section 1.3: Relevant Sustainability Topics.

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
E3	Water withdrawals	The concentrated extraction of water from specific local sources for high water-use industrial operations (both internal production processes and those of suppliers along the supply chain) can have negative impacts on water availability, water quality, and aquatic habitats.	Potential negative impact	Short and medium term	✓	✓	

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
E3	Water withdrawals	Unavailability of water (from rainfall, rivers, etc.) due to external natural events (acute or chronic, e.g. prolonged drought periods) required for the operation of all hydroelectric and thermoelectric plants within the Power Business Unit (e.g. the Mincio Thermoelectric Power Plant – CTE). Negative impacts are also possible along the supply chain.	Risk	Short, Medium and Long Term	✓	✓	
E3	Water withdrawals	Regulations imposed by the competent basin authorities, including mandatory dam releases and run-of-river hydroelectric power plant flows, may limit water availability for operations, increasing the risk of production interruptions and additional costs for water resource management.	Risk	Short, Medium and Long Term		✓	
E3	Water consumption	Water scarcity, along with the resulting increase in costs and the complexity of regulatory requirements regarding water usage, can have operational, regulatory, reputational, and financial consequences.	Risk	Short, Medium and Long Term		✓	
E3	Water discharges	Risk of regulatory penalties/fines for non-compliance with discharge limits and quality standards.	Risk	Short, Medium and Long Term		✓	

[ESRS_E3-1 – Policies related to water and marine resources]
[ESRS_E3, DR E3-1, DP 12a, 12b, 12c, 13, 14]
[ESRS_E3-2 – – Actions and resources related to water and marine resources]
[ESRS_E3, DR E3-2, DP 19]

As outlined in the Environmental Protection Policy, the AGSM AIM Group is committed to using water resources consciously and sustainably, particularly in areas subject to water stress, across all production processes and throughout its value chain. Water is primarily withdrawn for hydroelectric and thermoelectric power generation, as well as for cooling thermal cycles. Water supply at the Group's facilities is sourced from surface water, groundwater, and municipal networks. Specifically, for hydroelectric power generation, water is primarily drawn from rivers and reservoirs, while respecting the guaranteed minimum environmental flow.

In line with this commitment and as outlined in the previous paragraph, the AGSM AIM Group has implemented an environmental management system certified to ISO 14001:2015. This system includes detailed operating procedures that define roles and responsibilities for the identification and control of environmental parameters. Specifically, regarding the management of impacts, risks, and opportunities related to water resources, Operating Procedure 0066 establishes a system for monitoring water emissions. This system specifically focuses on discharges, distinguishing between those from production activities sent to the public sewer network and those released into surface water bodies.

In accordance with the adopted operating procedures and integrated environmental permits (IEPs), the AGSM AIM Group therefore implements strict measures to control pollutant emissions into water. On an annual basis, the Group reports, for the plants subject to this obligation, any instances of water emissions exceeding the thresholds set by Regulation (EC) No. 166/2006.

For the assessment of areas subject to water stress, the Aqueduct Water Risk Atlas+ tool[19] of the World Resources Institute was taken as a reference. The analysis revealed that only two of the AGSM AIM Group's cogeneration plants, whose water consumption accounts for 3.5% of the Group's total usage, are located in a medium water stress area.

As previously mentioned, to prevent the negative impacts of pollutants emitted during processes, the Group has implemented specific monitoring systems. Based on the activities carried out, various parameters are monitored, including total nitrogen and phosphorus, arsenic, copper, zinc, mercury, total organic carbon, and chlorides, as specified in Annex II of Regulation (EC) No. 166/2006.

As part of the ongoing update of its corporate policies, the AGSM AIM Group is considering integrating its Environmental Protection Policy with the topics outlined in ESRS E1-3. In this regard, it should be noted that, to date, the AGSM AIM Group has not adopted policies or practices specifically related to the sustainable management of ocean and marine resources, as this topic is not material to the Group's business activities.

2.3.2 Metrics and targets

[ESRS_E3, DR E3-3, DP 23a]
[ESRS_E3, DR E3-4, DP 28a, 28c, 28d, 28e, 29]

At present, the Group has not yet established specific measurable targets related to water resources.

In the 2024 financial year, the Group's water withdrawals increased by approximately 26% compared to the previous reporting period, totalling 5,486,234,782 m³, due to the rise in hydroelectric power production. The latter increased by approximately 76.8% compared to the 2023 financial year, and overall, hydroelectric power plants account for 99.8% of the Group's total water withdrawals. Water abstracted for hydroelectric plants is not consumed but used in the production process and then released without alteration.

For effluents, as for withdrawal, there was a 26% increase compared to the previous year. The total water discharge at 31 December 2024 corresponds to 5,486,179,063 m^3.

The water consumed for carrying out its activities amounts to 37,719 m³. The proportion of water consumption relative to the volume withdrawn is 0.001%, thanks to the good practices adopted by the AGSM AIM Group. During the 2024 financial year, the Group consumed 1,316 m³ of water in areas identified as experiencing medium water stress.

[19] https://www.wri.org/aqueduct

Water intensity, calculated as the ratio between water consumption and net revenues, amounts to 0.02m^3/mln€.

	2024
Total water consumption (m³)	37,719
Total water consumption in water-stressed areas (m³)	1,316
Total water consumption in high water-stress areas (m³)	0
Total volume of water stored and related variations (m³)	0
Water intensity (m³ per net revenue)	0.02

Table 9 - Water consumption of the AGSM AIM Group

2.4 Biodiversity and ecosystems – ESRS E4

2.4.1 Impacts, risks and opportunities management

[ESRS_2, DR SBM-3, DP 16a, 16b, 16c]
[ESRS_2, DR SBM-3, DP 48a]
[ESRS_2, DR IRO-1, DP 17, 19]
[ESRS_E4-2 — Policies related to biodiversity and ecosystems]
[ESRS_E4, DR E4-2, DP 23a, 23b, 23c, 23d, 23e, 23f]

The following table lists the impacts, risks, and opportunities related to biodiversity and ecosystems that the AGSM AIM Group identified and assessed as material as a result of its Double Materiality Analysis (DMA) conducted in 2024, as described in Section 1.3 on Material Sustainability Topics.

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage		
					Upstream	Own operations	Downstream
E4	Direct impact drivers of biodiversity loss	Reduction in average biodiversity levels in surrounding areas where production activities take place or during the development of construction sites for new plants, due to direct alterations to soil and land.	Potential negative impact	Medium and Long Term	✓	✓	
E4	Direct impact drivers of biodiversity loss	Upstream value chain activities (such as the extraction, processing, and storage of minerals like quartz) can contaminate and, in the long term, destroy ecosystems and the species that inhabit them.	Potential negative impact	Medium and Long Term	✓		

Results of the financial materiality assessment

[ESRS_E4, DR E4-2, DP 24]

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage		
					Upstream	Own operations	Downstream
E4	Direct impact drivers of biodiversity loss	Local land use laws and community opposition (e.g. NIMBY and NIMTO phenomena) to the development of wind and solar plants, due to concerns about land use or other environmental impacts (e.g. local water resources, soil, air), may result in higher costs, lost revenues, or project delays.	Risk	Short, Medium and Long Term	✓	✓	
E4	Direct impact drivers of biodiversity loss	Risk of biodiversity loss due to intensive natural resource extraction, potentially leading to operational constraints and impacts on the continuity of supply to AGSM AIM.	Risk	Short, Medium and Long Term		✓	

Aware that the activities carried out could potentially have impacts on ecosystems and biodiversity, the AGSM AIM Group is committed to safeguarding the natural value and biodiversity of the territories in which it operates and affected by the presence of its plants by implementing appropriate environmental safeguards and measures.
Through the Environmental Protection Policy, the Group has established principles and guidelines for environmental decision-making, including aspects related to the protection of biodiversity and ecosystems. In line with the Sustainable Development Goals, the European Green Deal, and the EU Biodiversity Strategy to 2030, the AGSM AIM Group is committed to:

- promote and implement environmental improvement plans through actions aimed at protecting biodiversity-rich areas and fostering a culture of biodiversity;
- safeguard the conservation of biodiversity and ecosystems, particularly in the areas where it operates;
- respect the principle of "do no significant harm" (DNSH) to the environment in the conduct of its business activities;
- monitor and mitigate any potential impacts of activities on biodiversity;
- collaborate with associations and local communities on initiatives and projects aimed at raising stakeholder awareness about the importance of protecting the environment, ecosystems, and biodiversity.

Additional policies for the protection of biodiversity and ecosystems in the areas where the Group operates, as well as policies aimed at deforestation, will be adopted during the next fiscal year.

While performing its activities, the Group adopts a business model that is attentive to sustainable and environmentally responsible behaviour. It pays particular attention to the flora and fauna of the places where it operates, undertaking to carry out its activities by taking into account the needs of the surrounding ecosystem and to promptly correct any negative impacts that may occur as part of its business activities.

Before implementing new projects and maintenance activities of importance, which could give rise to environmental impacts in particular areas, the AGSM AIM Group submits the intervention to more specialised assessments for the safeguard of the area affected by the service.

The assessment activity takes place during the construction of the wind plants of the Group, for which specific monitoring was carried out before construction in order to assess the environmental impact and introduce measures to mitigate the impacts. Among the Group's wind plants, the case of the wind farm in Rivoli Veronese (VR) is exemplary. It was installed in 2013 on a Site of Community Importance (SIC) and Special Protection Zone (ZPS) of particular landscape and naturalistic value. This wind farm is the only production site within the Group located in areas sensitive from a biodiversity perspective. In collaboration with Legambiente (Baldo-Garda association "Il tasso"), the Parent Company was responsible for the restoration of the areas affected by earthworks (construction of the yards and access roads), carrying out the morphological recomposition of the land following construction activities and reconstituting the original turf on site. The protected species of the site were transferred and kept in another location during the construction works (Centre for forestry biodiversity of Peri - VR), in order to be replanted after the works. This measure made it possible to preserve rare species, even at risk of extinction.

Also when designing the photovoltaic plants in the municipality of Trissino (VI), the Group paid special attention to respecting biodiversity. In the project to construct the two plants, a hedge was planted along the perimeter fence with an ecosystemic role, choosing native plant species that produce edible fruits capable of attracting wildlife and with an aesthetic relevance due to their flowers and berries. Along this fence, at approximately every 50 metres, there are openings in the lower part of the net in order to allow small and medium-sized wildlife to pass. The supporting structures of the photovoltaic modules also allow wildlife to pass through the plant area.

In order to expand the habitat for the species of fauna present in the plant area, a group of coarse rocks has been created, providing shelter for reptiles and a suitable resting place for the wall lizard, and a meadow clearing with herbaceous stands of wild plants useful mainly to the *Hierophis viridiflavus* (green whip snake, a non-poisonous snake).

For the waste production and management activities carried out by the Environment BU company, there is no specific environmental hazard as the site areas are not classified as protected.

With reference to the natural gas and electricity distribution service, there is no significant impact on biodiversity and the utmost attention is paid to the use of materials and equipment for network management aimed at guaranteeing the minimum environmental impact.

2.4.2 Metrics and targets

Although no quantitative targets have been identified at present, the AGSM AIM Group is continuously committed to implementing actions aimed at protecting biodiversity and ecosystems through risk and impact prevention and minimisation.

2.5 Circular economy – ESRS E5

2.5.1 Impacts, risks and opportunities management

[ESRS_2, DR SBM-3 DP 48a]
[ESRS_2, DR IRO-1, DP 11a, 11b]

The following table lists the impacts, risks, and opportunities related to the circular economy that the AGSM AIM Group has identified and assessed as material following its Double Materiality Analysis (DMA) conducted in 2024, as described in paragraph 1.3 Relevant Sustainability Topics.

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
E5	Resources inflows, including resource use	Shortages of critical materials (lithium, cobalt, nickel, and platinum), often concentrated in countries subject to geopolitical tensions (e.g., political and economic instability in countries involved in the processing of critical materials/technology production) and trade issues (e.g., tariffs), may lead to supply chain disruptions and price increases or volatility for equipment, negatively impacting the development of renewable energy technologies.	Risk	Short, Medium and Long Term	✓		
E5	Waste	Market opportunities arising from the increasing awareness of the circular economy among consumers, businesses, and regulators.	Opportunity	Medium and Long Term		✓	
E5	Waste	Inadequate management of the end-of-life phase of plants (e.g., photovoltaic systems, wind turbines, etc.) and the disposal of their components may result in penalties due to non-compliance with applicable regulations, as well as reputational damage.	Risk	Medium and Long Term	✓	✓	

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
E5	Resources inflows, including resource use	Consumption of resources to support business activities, thereby contributing to environmental exploitation and resource depletion.	Current negative impact	Short Term	✓		
E5	Resource outflows related to products and services	The treatment of certain waste categories can enable the recovery of secondary raw materials, which may be used in new production processes, thereby reducing the need to extract virgin natural resources.	Current positive impact	Medium and Long Term			✓
E5	Waste	Wind and photovoltaic plants, once decommissioned, generate waste which, if not managed responsibly, can cause negative environmental impacts.	Potential negative impact	Short, Medium and Long Term	✓	✓	

[ESRS_E5-1 — Policies related to resource use and circular economy]
[ESRS_E5, DR E5-1, DP 15a, 15b]
[ESRS_2, MDR-P, DP 65 a, 65 b, 65 c, 65 d, 65 e, 65 f]

The Group's Environmental Protection Policy sets principles and guidelines for environmental decision-making, including aspects related to proper resource management and the development of a circular economy, through the Environmental, which defines strategies to mitigate impacts on the environment and the territories where the Group operates. To ensure its effective implementation, the Policy is distributed to all the Group's subsidiaries so that they may acknowledge and adopt it. Furthermore, it is communicated to all stakeholders, with a view to transparency and collaboration with actors along the Value Chain, through targeted communications and publication on the company website.

The AGSM AIM Group adopts a production and consumption model aimed at the efficient use of resources, in line with the principles of the circular economy.

The AGSM AIM Group's commitment to reducing environmental impacts is also reflected in the sustainable and efficient management of energy, water and other natural resources consumed. AGSM AIM pays particular attention to optimising the use of natural resources by limiting wastage and minimising the generation of waste while performing its operational activities.

The Group actively contributes to achieving the Sustainable Development Goal on "Responsible consumption and production" (SDG no. 12) by promoting initiatives to encourage waste reduction and the collection, reuse and recycling of materials and products.

The management of waste produced within the AGSM AIM Group is carried out in compliance with Operational Procedure PO.0120 "Management of Produced Waste," as established by the environmental management system adopted by the Group pursuant to UNI ISO 14001:2015 regulations. This procedure identifies organisational roles and responsibilities regarding the direct management of internal waste.

The classification of waste produced by the AGSM AIM Group is carried out by the Parent Company's Quality, Safety and Environment function in agreement with the Waste Management Contact and included in the "Waste Classification" document approved by the Company Director or Legal Representative, according to the elements that influence and determine the classification, i.e.:
- process from which the waste originates (e.g. construction and demolition, packaging, disposal of obsolete equipment);
- specific description of the waste (e.g. soil, plastic packaging, monitor);
- assessment of the hazardous nature of the waste through knowledge of the substances that may have contaminated it (product/safety data sheets) and/or chemical analysis and/or from bibliographical-legislative sources (e.g. waste oil, monitors, etc.) and/or laboratory report.

After classification, the waste produced by the AGSM AIM Group is delivered to the Group's temporary warehouses and then handed over to authorised third parties. If they do not belong to the AGSM AIM Group, authorised third parties (e.g. brokers, carriers and destination plants) are identified during the tender process.

Sorted waste collection systems are installed at all the Group's premises in order to increase and promote the subsequent recycling of materials.

[ESRS_E5-2 — Actions and resources in relation to resource use and circular economy]
[ESRS_E5, DR E5-2, DP 19]

In 2024, the AGSM AIM Group completed the construction of the anaerobic digestion and biomethane production plant at the Ca' del Bue environmental facility in Verona, intended for injection into the national distribution network. This project is able to contribute concretely to achieving the UN Global Development Goal on "Responsible consumption and production" (SDG 12).

The Ca' del Bue plant is built and organised on a process of anaerobic digestion of organic urban waste from sorted waste collection, market waste, lignocellulosic waste and agro-industrial waste for the production of biomethane and dry digestate for subsequent delivery to a third-party treatment plant to produce quality compost and soil. Once fully operational, the plant will enable the treatment of 40,000 tonnes per year of the Organic Fraction of Municipal Waste (OFMW) through the anaerobic digestion process. The biodigester will be able to produce three million standard cubic meters (Scm) per year of biomethane that will be used to supply local public transport fleets.

To convert biogas into biomethane with a quality equivalent to conventional fossil natural gas, it must undergo a series of pre-treatments (dehumidification, desulphurisation, etc.) and a carbon dioxide removal process, known as upgrading, using membrane technology. The upgrading system for purifying biogas produced by anaerobic digestion is a three-stage membrane type, with a nominal biogas flow rate of 800 Nm^3/h.

Thermal flow meters are used to monitor the flow of biogas and biomethane at various stages of the process. These devices measure the mass of the flowing biogas without any moving parts and are unaffected by pressure or temperature variations during the process.

The biomethane output from the upgrading plant complies with the stringent technical specifications set out in the UNI TS 11567:2019 standard, "Guidelines for the qualification of economic operators in the biomethane production chain," which establishes a qualification scheme for traceability and mass balance management.

The digestate coming out of the anaerobic digestion process (about 15,000 tonnes per year) represents a biological organic soil conditioner, ideal to be transformed into high quality compost for local farms, reusable on the territory according to the latest European Community regulations.

At the Ca' del Bue site, the organic waste collected from the surrounding area is received and pretreated to separate non-organic materials. Anaerobic digestion then takes place, followed by biogas extraction and purification for biomethane production. The digestate is subsequently dried and transferred to third-party facilities for compost production.

The biodigester represents the driving force of a virtuous cycle that will deliver significant benefits for the environment and local area, including a reduction in landfill disposal, the recovery of organic-rich soil amendments to be reintroduced into the biological cycle (circular economy), and energy recovery through the production of fully renewable biomethane.

Pursuant to the Italian Ministerial Decree of 14 November 2019 that established the national system for certifying the sustainability of biofuels and bioliquids, also from waste, AGSM AIM has obtained, with regard to the production of biomethane from the Ca' del Bue plant, the sustainability certification for biofuels and bioliquids that allows the traceability and sustainability of bioliquids and biofuels to be demonstrated, tracing the entire process from raw materials to intermediate products up to the "end of waste" finished product, i.e. biomethane.

The biodigester represents the first piece of a larger project that the AGSM AIM Group intends to carry out thanks, among other things, to a civil sewage sludge treatment plant, the revamping of an undifferentiated mechanical urban waste treatment plant to further reduce the percentage of waste delivered to landfills, and an advanced multi-material sorting plant (paper, plastic, cans), in order to create a waste management hub that maximises the recovery of material and energy with a view to a circular economy, while reducing landfilling.
During the 2024 financial year, the biomethane produced at the Ca' del Bue plant and injected into the grid amounted to 227,837 standard cubic metres (sm³).

2.5.2 Metrics and targets

[ESRS_E5-3 - Policies related to resource use and circular economy]
[ESRS_E5, DR E5-3, DP 24]
[ESRS_E5, DR E5-4, DP 30]
[ESRS_E5-5 – Outbound resource flows]
[ESRS_E5, DR E5-5, DP 37a, 37b]

The AGSM AIM Group is committed to preventing waste generation in accordance with the waste management hierarchy established by current legislation.

The waste produced by the Group mainly derives from maintaining and operating electricity infrastructure and production facilities. Waste generation is strongly influenced by factors not directly related to routine operations, such as extraordinary maintenance activities on the Group's plants or premises, as well as external factors like regulatory approvals or changes in legislation. These factors make it difficult to set quantitative targets for waste reduction; nonetheless, the Group is committed to implementing initiatives aimed at reducing waste and promoting the collection, reuse, and recycling of materials and products.

During the reporting period, the AGSM AIM Group's main inbound resources consisted of purchased and resold energy resources. Specifically, the purchase of 4,255 GWh of electricity refers to energy bought through sourcing for sale to end customers and wholesale. Gas purchases amounting to 583 million standard cubic metres relate to gas acquired through sourcing for resale to end customers and wholesale, as well as for the requirements of electricity generation plants.

Additionally, the various business units routinely purchase goods necessary for the execution of operational activities and both ordinary and extraordinary maintenance of the Group's owned assets. The cost of such goods represents a residual value compared to the expenditure incurred for energy resources, as indicated in the Notes to the Financial Statements (see section 1.3.1 "Financial Management") of this Financial Report.
Below are the main categories of products purchased by the Group:
- **technical materials and components**, including but not limited to electrical materials, transformers, pipes, and cables, used in carrying out production activities;
- **materials for works, installations and maintenance** aimed at ordinary or extraordinary maintenance activities of the Group's assets;
- **consumables** for office and administrative operations.

During 2024, specific project activities were initiated aimed at the evolution of the company's information systems and the revision of procurement processes. Once completed, these will enable the availability of comprehensive and accurate reports on inbound flows of purchased physical goods, albeit residual compared to the overall operating costs incurred by the Group.

For details regarding the inbound volumes of waste collected and treated, please refer to paragraph 1.2.1.5 “Environmental Services”. For detailed information on water consumption, please refer to chapter 2.3 “Water and Marine Resources – ESRS E3”.

In 2024, 31,749 tonnes of waste were produced. Waste generated from the Group’s production activities showed an increasing trend of 9.7% compared to the previous financial year, mainly due to the increased biomethane production at the Ca’ del Bue plant, which accounted for 22.3% of the Group’s total waste during the reporting period.
The analysis of waste produced within the Group revealed that the overall waste generation consists of only 1.3% hazardous waste, including but not limited to, batteries, lamps, mineral oils, and electrical and electronic waste.

During the 2024 financial year, over 5,000 tonnes of waste were sent for recovery and recycling.

	2024	2023	2022
Total waste generated (tonnes)	**31,749**	**28,930**	**11,949**
hazardous waste	414	307	367
non-hazardous waste	31,335	28,623	11,582
recyclable waste	0	0	0
Waste diverted from disposal (tonnes)	**5,371**	**15,355**	**1,713**
hazardous waste diverted from disposal	407	281	226
non-hazardous waste diverted from disposal	4,964	15,073	1,487
Waste directed to disposal (tonnes)	**26,377**	**13,575**	**8,715**
hazardous waste directed to disposal	7	26	141
non-hazardous waste directed to disposal	26,370	13,549	8,573
Non-recycled waste rate	**83.1%**	**46.9%**	**72.9%**

Table 10 - Waste Generated by the AGSM AIM Group

2.6 European Taxonomy Disclosure

Since January 2022, organisations required to publish a consolidated non-financial statement under Legislative Decree 254/2016 and subsequently within the consolidated sustainability reporting included in the report on operations accompanying the consolidated financial statements pursuant to Legislative Decree 125/2024, must publicly disclose the proportion of turnover, capital expenditure, and operating expenses that qualify as environmentally sustainable under current European legislation.

Regulation (EU) 2020/852 introduced the Taxonomy for environmentally sustainable economic activities into the European regulatory framework (EU Taxonomy), which requires the classification of activities that can be considered sustainable according to their alignment with the environmental objectives defined by the European Union. It has the ambitious goal of supporting the EU's economic activities on the path to adopting a common language on ESG and promoting the decarbonisation of the European economy by 2050.

With respect to the three sustainability pillars covered by the acronym "ESG" (Environmental, Social, Governance), the European Taxonomy initially focused on environmental aspects, defining six environmental objectives with reference to which it is necessary to assess whether an activity is eligible based on the criteria defined by the legislation:

1. Climate change mitigation (CCM);
2. Climate change adaptation(CCA);
3. Sustainable Use and Protection of Water and Marine Resources (WTR);
4. Transition to a circular economy (CE);
5. Pollution prevention and control (PPC);
6. Protection and restoration of biodiversity and ecosystems (BIO).

In accordance with EU Regulation 2020/852, the European Commission is required to adopt delegated acts aimed at supplementing the regulation itself, detailing the technical screening criteria and the methods of compliance with the Do No Significant Harm (DNSH) principle that make it possible to assess under what conditions each economic activity makes a substantial contribution to at least one of the six identified environmental goals.

An economic activity is defined as environmentally sustainable if it:

i) contributes substantially to achieving at least one of the six environmental objectives;
ii) does not cause significant damage to any of the remaining environmental objectives (Do No Significant Harm - DNSH);
iii) is carried out in compliance with the minimum safeguards (based on international guidelines for the respect of human rights);
iv) complies with the technical screening criteria set by the European Commission.

EU Delegated Regulation 2021/2139 "Climate Delegated Act" came into force in 2021. It defines the technical criteria for the first two goals (mitigation and climate change adaptation), supplemented on 15 July 2022 by the Complementary Delegated Act (EU Delegated Regulation 2022/1214), which includes the production of energy from gas and nuclear in the Taxonomy.

Subsequently, on 27 June 2023, the following were published in the Official Gazette: (i) EU Delegated Regulation 2023/3850 which, by amending the Climate Delegated Act, provides for the expansion of those economic activities that contribute to mitigating and adapting to climate change, in addition to the updates of the technical assessment criteria for existing economic activities; (ii) EU Delegated Regulation 2023/3851 (Taxonomy Environmental Delegated Act) which defines the technical assessment criteria to determine the economic activities that contribute significantly to one or more of the other four environmental objectives not covered by the previous regulatory phase and provided for by EU Regulation 2020/852.

Pursuant to the provisions of Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation - TR), the organisations subject to the Non-Financial Reporting Directive (NFRD) and, subsequently, the new Corporate Sustainability Reporting Directive (CSRD) are required to disclose information on alignment with the Taxonomy using some indicators: revenue, capital expenditure and operating expenditure. In particular, non-financial companies must publish information on:

- share of revenue from products or services associated with economic activities aligned with the Taxonomy (Revenue);
- share of capital expenditure (CapEx);
- share of operating expenditure (OpEx) related to activities or processes associated with economic activities aligned with the Taxonomy.

The **European Taxonomy** of sustainable economic activities is a guide:

- for **companies**, in order to assess their activities, define corporate policies with a view to environmental sustainability and report to stakeholders their performance in a complete and comparable manner;
- for **investors**, in order to integrate sustainability issues into investment policies and enable a clear understanding of the environmental impact of economic activities in which they invest or could invest;
- for **public institutions**, which can use the Taxonomy to define and improve their ecological transition policies.

The objective of the Taxonomy Regulation is to increase market transparency, i.e. increase the quantity, quality and comparability of information on sustainability issues regarding companies, operators and financial products. In addition, it allows the examination of each operating line and production facility - in the context of investment analysis or assessment of the company's position with respect to competitors - through performance indicators (KPIs).

In the sectors with the greatest climate impact (e.g. energy, construction and transport), this information makes it possible to select the companies that have undertaken ecological transition processes. Finally, thanks to the availability of data on the alignment of business plans with the Taxonomy, investors can make their engagement actions more effective, measuring their effects over time and strengthening their dialogue with the investees.

The adoption of the Taxonomy is relevant since it allows the following objectives to be pursued:

- provide adequate and consistent indications to companies and investors with regard to which economic activities can be considered environmentally sustainable;
- be an enabling factor to achieve the objectives set by the Green Deal, as a strategy for transforming climate issues and environmental challenges into growth opportunities in every economic sector;
- limit the risk of greenwashing;
- help companies plan their transition to business models in line with a low-carbon economy.

In February 2022, Platform on Sustainable Finance, a group of experts that assists the European Commission in developing sustainable finance policies, presented the **Final Report on Social Taxonomy** with the aim of extending the concept of sustainable investment within the European Union. The Taxonomy of Sustainable Economic Activities is therefore accompanied by a Social Taxonomy that has three objectives: to promote decent work, adequate standards of living and inclusive and sustainable communities.

2.6.1 Implementation process

In line with the provisions of the EU Taxonomy Regulation 2020/85 and following an in-depth assessment, the AGSM AIM Group decided to engage on various fronts to contribute to the achievement of the following objectives in scope among those currently standardised by the Taxonomy:

1. Climate change mitigation;
2. The sustainable use and protection of water and marine resources.

During the 2024 financial year, the AGSM AIM Group continued the cross-functional project involving all key departments of the Parent Company and the companies included within the scope of consolidated sustainability reporting. The aim was to identify, with reference to the aforementioned Taxonomy objectives, the Group's activities as eligible and aligned, eligible but not aligned, or non-eligible. In addition, to ensure an adequate process for the extraction, analysis, processing and aggregation of administrative and accounting data, specific software tools currently used by the Finance & Control Department have been developed and/or integrated.

Eligible Activities
Aligned eligible activities: activities carried out by the AGSM AIM Group explicitly included in the Delegated Acts that meet the technical screening criteria, comply with the DNSH principle and the minimum safeguards. **Non-aligned eligible activities:** activities carried out by the AGSM AIM Group explicitly included in the Delegated Acts that do not meet the technical screening criteria, do not respect the DNSH principle and/or the minimum safeguards.

Table 11 - Taxonomy-eligible activities (aligned and non-aligned)

Non-eligible Activities

Non-eligible activities: activities carried out by the AGSM AIM Group that are not explicitly included in the Delegated Acts because they do not contribute substantially to any environmental objective.

Table 12 - Taxonomy-non-eligible activities

The analysis was carried out according to the following steps:

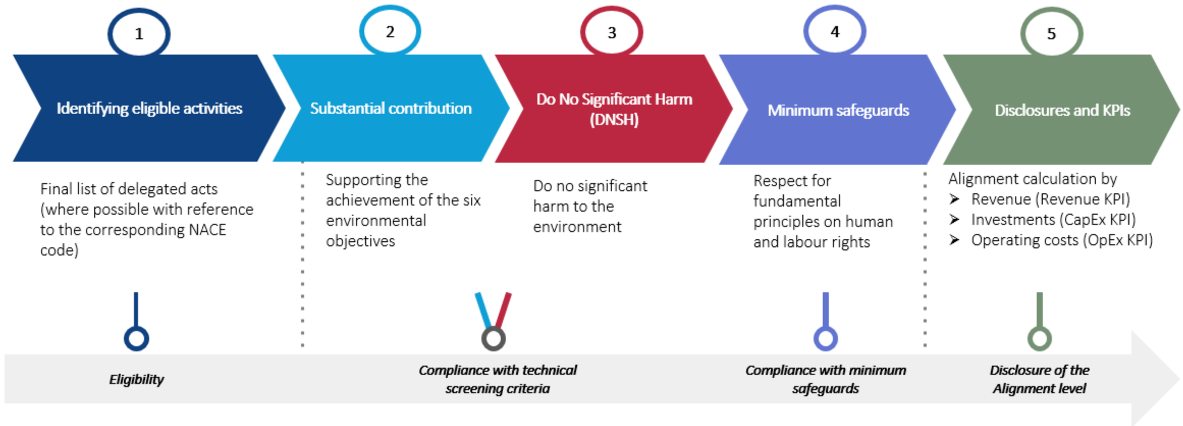

Figure 19 - Activity analysis process

1. Identifying eligible activities

The first stage of the process allowed for the identification, through a careful analysis of the activities included in the Taxonomy Regulation, of those applicable to AGSM AIM's business, also considering the description provided and the potentially applicable NACE codes (i.e. Statistical Classification of Economic Activities of the European Community).

2. Substantial contribution

After identifying eligible activities, the technical contacts of the Departments and subsidiaries were involved in order to initiate the Substantial Contribution Assessment. The activities classified as eligible were analysed in detail for their compliance with the specific technical criteria established to measure their substantial contribution to achieving the three objectives in scope and our Group.

3. Do No Significant Harm (DNSH)

For sustainable activities classified as eligible and aligned, an analysis of existing environmental procedures was performed to verify compliance with the Do No Significant Harm (DNSH) principle also with reference to the other environmental objectives identified by the EU Taxonomy.

What does DNSH mean?

The principle of "not causing significant harm" to the environment (also known as the DNSH principle, i.e. "Do No Significant Harm") was created to combine economic growth and ecosystem protection, ensuring that investments are made without affecting environmental resources. The criteria for assessing DNSH compliance include analysing the environmental impact, assessing the long-term sustainability and the absence of significant negative effects. It is also essential that projects demonstrate a positive contribution towards the environmental objectives indicated in the European Taxonomy.
The criteria for assessing DNSH compliance include analysing the environmental impact, assessing the long-term sustainability and the absence of significant negative effects.

4. Minimum safeguards

Compliance with the minimum social safeguards in the area of human and labour rights provided for in Article 18 of the Taxonomy Regulation was then verified. For further details, see the dedicated box.

5. Disclosures and KPIs

The corresponding economic-financial metrics were associated with each economic activity according to the classification made in steps 1 to 4 above, gathering the relevant administrative-accounting information from the Group's applications, and ensuring consistency with the data reported in the consolidated financial statements.

Verifying compliance with the minimum safeguards

The AGSM AIM Group operates in compliance with current Italian and European regulations and with the specific objective of ensuring that its stakeholders achieve sustainable goals. In particular, the AGSM AIM Group's operational activities are carried out in accordance with the OECD Guidelines for Multinational Enterprises, the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work, the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the principles issued by the Global Compact.

In line with international reference standards, the AGSM AIM Group has defined and adopted a series of internal policies and operating practices to ensure compliance with minimum safeguards:

- in order to protect and promote **human rights**, the AGSM AIM Group has defined and adopted the Policy for the protection of human rights in order to indicate the fundamental principles on which the Group inspires its work in order to safeguard and promote human rights when conducting its business and activities. The Group has also adopted a Code of Ethics that defines the values and principles of conduct that each person working in the name and on behalf of the Group must respect when performing their duties. In order to protect the confidentiality of its stakeholders' personal data, the AGSM AIM Group has implemented a privacy governance system in which roles, responsibilities and operating methods are defined in compliance with the GDPR;
- with reference to **combating corruption**, a Group Anti-Corruption Policy has been drawn up detailing rules, controls and safeguards to prevent active and passive corruption offences. In addition, several Group companies have adopted their own organisation, management and control model pursuant to Italian Legislative Decree 231/2001, which defines protocols and procedures aimed at mitigating the risk of the offences provided for in Decree 231 being committed by directors, senior managers or employees in the interest or to the advantage of the entity. The Group has also adopted a communication system aimed at employees reporting potential conduct in breach of the Code of Ethics, the Anti-Corruption Policy and the Organisation, Management and Control Model;
- with reference to **tax management**, the Group has adopted a tax strategy aimed at ensuring fair, responsible and transparent taxation;
- with reference to **respect for the principle of competition and the market**, the values enshrined in the Group's Code of Ethics and the safeguards set out in the operational procedures for the management of business activities, help to ensure fair competition, free from improper, collusive or predatory conduct, to the detriment of consumers, suppliers and business partners.

2.6.2 Our Commitment to the European Taxonomy

The in-depth analysis carried out during 2024 enabled the redefinition and consequent expansion of the number of eligible activities attributable to the inclusion of the four environmental objectives introduced with the Taxonomy Environmental Delegated Act EU 2023/3851. The following table shows the sustainable activities carried out by the Group with an indication of the relevant Business Unit.

#	ELIGIBLE ENVIRONMENTALLY SUSTAINABLE ACTIVITIES	BUSINESS UNIT
	CLIMATE CHANGE MITIGATION	
3.10	**Hydrogen Production**, which consists of producing hydrogen and hydrogen-based synthetic fuels.	**Power**
4.1	**Electricity generation using solar photovoltaic technology**, which consists in building and operating photovoltaic panels to develop green and sustainable electricity from renewable sources.	**Power**
4.3	**Electricity generation from wind power**, which consists in building and operating plants for the production of electricity from wind power, sustainable and renewable energy for significant environmental benefits.	**Power**
4.5	**Electricity generation from hydropower**, which consists in building and operating plants using a renewable and sustainable energy source.	**Power**

#	ELIGIBLE ENVIRONMENTALLY SUSTAINABLE ACTIVITIES	BUSINESS UNIT
4.9	**Transmission and distribution of electricity**, which consists in building and operating networks to transport electricity throughout the territory via low, medium, high and extra-high voltage systems.	Networks
4.15	**District heating distribution** involving the construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger.	Heat
4.29	**Electricity generation from fossil gaseous fuels**, which consists in constructing or operating plants to generate electricity using fossil gaseous fuels.	Power
4.30	**High-yield cogeneration of heat/cold and electricity from gaseous fossil fuels** consisting of the construction, redevelopment and management of combined heat/cold and electricity generation plants using gaseous fossil fuels.	Heat
5.5	**Collection and transport of non-hazardous waste sorted at source**, which involves the sorted waste collection and transport of non-hazardous waste in single or mixed fractions intended for preparation for reuse or recycling.	Environment
5.7	**Anaerobic digestion of organic waste** which consists of the construction and management of dedicated plants for the treatment of separately collected organic waste through anaerobic digestion, resulting in the production and use of biogas and digestate and/or chemical products.	Environment
5.9	**Material recovery from non-hazardous waste**, which consists in building and operating plants for sorting and processing separately collected non-hazardous waste streams into secondary raw materials involving a mechanical transformation process, except for backfilling purposes.	Environment
6.15	**Infrastructure enabling road transport and low-carbon public transport**, consisting of the construction, upgrading, maintenance, and management of infrastructures required for zero CO_2 emissions from road transport exhausts, as well as transshipment facilities and infrastructure necessary for urban transport management.	Smart Solutions
7.3	**Installation, maintenance and repair of energy efficiency devices** carried out by the subsidiary AGSM AIM Smart Solutions through upgrades involving new installations, maintenance and repair of public lighting devices with the virtuous aim of increasing energy efficiency.	Smart Solutions
7.4	**Installation, maintenance and repair of charging stations for electric vehicles** which consists in the installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	Smart Solutions
8.1	**Data processing, hosting and related activities** carried out through the storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.	Smart Solutions
	SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES	
2.1	**Water supply** that consists of the construction, expansion, management and renewal of systems for the collection, treatment and supply of water intended for human consumption based on the extraction of natural resources from surface or underground water sources.	Corporate
2.2	**Urban wastewater treatment** that consists of the construction, expansion, modernisation, management and renewal of urban wastewater infrastructure, including treatment plants, sewage networks, stormwater management facilities, connections to wastewater infrastructure, decentralised wastewater treatment plants, including individual and other appropriate systems, and discharge facilities for treated sewage.	Corporate

Table 13 - Eligible environmentally sustainable activities

With reference to activities related to the sustainable use and protection of water and marine resources, it is worth noting that the Parent Company owns the assets related to the supply (2.1) and treatment (2.2) of water in the Municipality of Verona. The aqueduct and the treatment plant are operationally managed by the companies Acque Veronesi S.c.a.r.l. and Viacqua S.p.A., which are responsible for carrying out both ordinary and extraordinary maintenance. The values of the indicators reported in the following paragraphs therefore represent the revenues derived from leasing the assets to the two in-house companies, while no operating costs or investments specifically attributable to these assets are present.

In general, the values reported in the following paragraph relating to revenues, direct operating costs, and increases in overall tangible and intangible assets are consistent with the data presented in the current AGSM AIM Group Annual Financial Report for the 2024 fiscal year.

For the purposes of reporting pursuant to the Taxonomy Regulation, each of the economic activities of the AGSM AIM Group mentioned above was subject to specific (by cost centre) and detailed analyses (on the individual accounts and the related accounting entries), in order to avoid the risk of double calculation and determine the economic, financial and equity performance, broken down into the three categories listed below.

2.6.3 Results of the Group's Eco-Sustainable Activities

The indicators that represent the results achieved by the AGSM AIM Group in 2024 relating to the share of revenue, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to eligible, aligned and not eligible activities for European Taxonomy are shown below.

KPI – Revenue

The analysis of 2024 turnover allowed revenue to be identified for a total of Euro 766.7 million when considering taxonomy-eligible and -non-eligible activities; of this amount, 27.0%, equal to Euro 207.3 million, was considered eligible under the legislation on the European taxonomy of sustainable activities. The remaining Euro 559.5 million, amounting to 73.0%, is made up of non-eligible revenue from economic activities that are currently outside the scope of EU Regulation 2020/852.

Revenue from sales and services relating to eligible business activities and aligned with the climate change mitigation objective amount to approximately Euro 194.5 million, equal to about 25.3% of the share of Taxonomy-eligible activities.

REVENUE FROM SALES AND SERVICES	€/000	% of the total (A+B)	% of the activities Eligible
A.1. Environmentally sustainable activities (aligned with the taxonomy)	194,479	25.3%	93.8%
A.2. Taxonomy-eligible but environmentally unsustainable activities (activities not aligned with taxonomy)	12,793	1.7%	6.2%
A. TAXONOMY-ELIGIBLE ACTIVITIES	**207,272**	**27.0%**	**100.0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES	559,454	73.0%	
Total (A + B)	**766,726**	**100.0%**	

Table 14 - Revenue from eligible and non-eligible activities

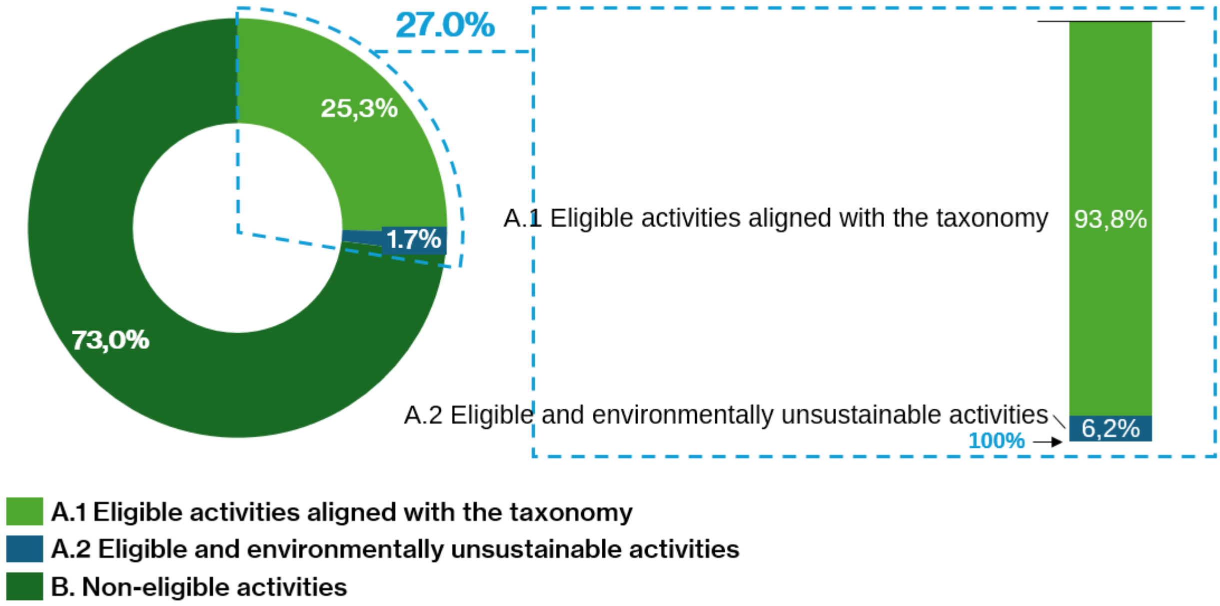

Figure 20 – Eligible Activities (aligned and not eco-sustainable) and Non-eligible Activities

	Taxonomy Alignment by objective	Taxonomy Eligibility by objective
CCM	25.3%	26.3%
CCA	0.0%	0.0%
WTR	0.0%	0.7%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Table 15 – Proportion of revenue

With reference to the revenues of eligible (A.1 and A.2) and ineligible activities (B) under the EU Taxonomy criteria, it is possible to highlight the economic impacts attributable both to some general macroeconomic phenomena and to the Group's characteristic operations:

- during 2024, the energy landscape evolved with a progressive and steady upward trend in electricity prices, positively impacting electricity generation activities from all sources: solar photovoltaic technology (4.1), fossil gas fuels (4.29), and high-efficiency cogeneration of heat/cold and electricity from fossil gas fuels (4.30). However, in 2024, the average value of the PUN remained lower than in the previous year, 2023;
- incentives have helped to boost the economic performance of wind farms and the related revenues generated from production activities from this source (4.3);
- thanks to specific analyses carried out by the relevant Departments, it was possible to reclassify as eligible and aligned the production from the majority of the Group's hydroelectric plants, whose economic performance benefited from high rainfall during the year, which in turn led to a significant increase in revenues from electricity production from hydroelectric energy (4.5);
- thanks to specific checks and in-depth investigations carried out within the Networks BU, it was possible to reclassify the electricity distribution activity (4.9) as eligible and aligned, which positively benefited from the application of the T Ross method (i.e., cost determination criterion) and the increase in the remuneration of invested capital;
- revenues from the collection and transport of non-hazardous waste sorted at source (5.5) experienced particularly significant growth thanks to the expansion of collection services in new areas of the municipality of Tirana;
- revenues from the recovery of materials from non-hazardous waste (5.9) increased thanks to the reclassification of activities performed by Transeco as eligible and aligned, as well as the acquisition of a business unit from AMIA S.p.A. (transferred by the Group in 2023 to be brought in-house by the Municipality of Verona) effective from 1 January 2024.

KPI - Operating Expenses (OPEX)

The analysis of operating expenditure (e.g. for services, use of third-party assets, management charges, etc.) for 2024 allowed operating costs to be identified for a total of Euro 627.4 million considering taxonomy-eligible and -non-eligible activities; of this amount, 14.5%, equal to Euro 91.2 million, was considered eligible under the legislation on the European taxonomy of sustainable activities. Euro 536.2 million, amounting to 85.5%, is made up of non-eligible costs from economic activities that are currently outside the scope of EU Regulation 2020/852. Operating costs relating to eligible business activities and aligned with the climate change mitigation objective amount to approximately Euro 86.0 million, equal to about 13.7% of the share of taxonomy-eligible activities.

OPERATING COSTS (OPEX)	€/000	% of the total (A+B)	% of the activities eligible
A.1. Environmentally sustainable activities (aligned with the taxonomy)	86,036	13.7%	94.4%
A.2. Taxonomy-eligible but environmentally unsustainable activities (activities not aligned with taxonomy)	5,131	0.8%	5.6%
A. TAXONOMY-ELIGIBLE ACTIVITIES	**91,167**	**14.5%**	**100.0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES	536,248	85.5%	
Total (A + B)	**627,414**	**100.0%**	

Table 16 - Operating expenditure from eligible and non-eligible activities

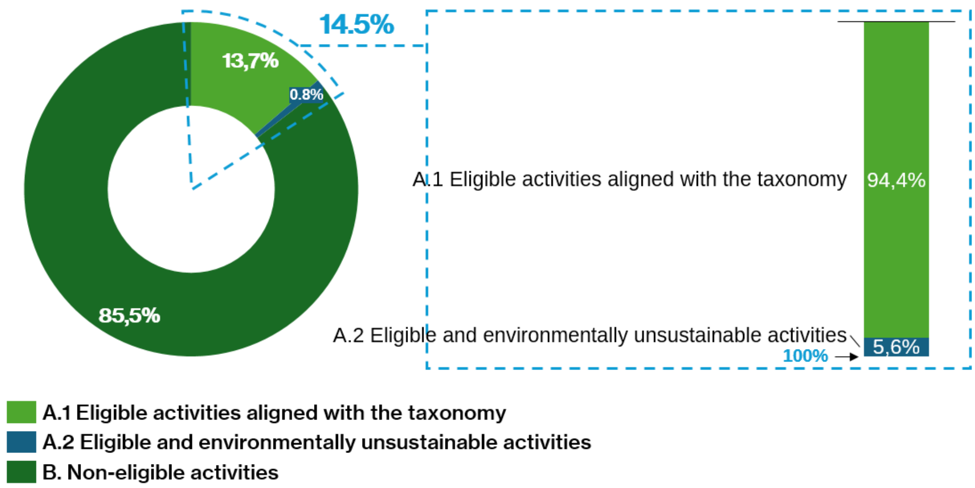

Figure 21 – Eligible Activities (aligned and not eco-sustainable) and Non-eligible Activities

	Taxonomy Alignment by objective	Taxonomy Eligibility by objective
CCM	13.7%	14.5%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Table 17 – Proportion of operating expenditure

With reference to the operating costs relevant to the eligible (A.1 and A.2) and non-eligible (B) activities under the EU Taxonomy criteria, it is possible to highlight the economic impacts mainly attributable to the Group's characteristic operations:

- the higher costs associated with the operation of electricity production activities using solar photovoltaic (4.1) and wind power technologies (4.3) reflect increased maintenance expenses, which are partially offset by lower maintenance costs incurred in the operation of hydroelectric electricity generation plants (4.5);
- the increase in operating costs recorded in electricity distribution activities (4.9) is partly aligned with the trend in revenues and partly attributable to reduced capitalisation of labour costs;
- the high operating costs recorded for the collection and transport of non-hazardous waste separated at source (5.5), and for the recovery of materials from non-hazardous waste (5.9), are consistent with the increasing revenue trends. These trends are driven by the expansion of collection services into new areas of the Municipality of Tirana, the reclassification of Transeco's activities as eligible and aligned, and operating costs resulting from the acquisition of a business unit from AMIA S.p.A.

KPI – Capital Expenditure (CAPEX)

The analysis of capital expenditure on non-current assets, both intangible and tangible, for the year 2024 identified total investments of Euro 135.7 million, including both taxonomy-eligible and non-eligible activities. Of this amount, 71.3%, equivalent to Euro 96.7 million, was deemed eligible under the EU Taxonomy for sustainable activities. The remaining Euro 39.0 million, amounting to 28.7%, is made up of non-eligible costs from economic activities that are currently outside the scope of EU Regulation 2020/852. Capital expenditure relating to eligible business activities and aligned with the climate change mitigation objective amount to approximately Euro 81.4 million, equal to about 60.0% of the share of taxonomy-eligible activities.

CAPITAL EXPENDITURE (CAPEX)	€/000	% of the total (A+B)	% of the activities eligible
A.1. Environmentally sustainable activities (aligned with the taxonomy)	81,377	60.0%	84.2%
A.2. Taxonomy-eligible but environmentally unsustainable activities (activities not aligned with taxonomy)	15,308	11.3%	15.8%
A. TAXONOMY-ELIGIBLE ACTIVITIES	**96,685**	**71.3%**	**100.0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES	39,044	28.7%	
Total (A + B)	**135,729**	**100.0%**	

Table 18 - Capital expenditure from eligible and non-eligible activities

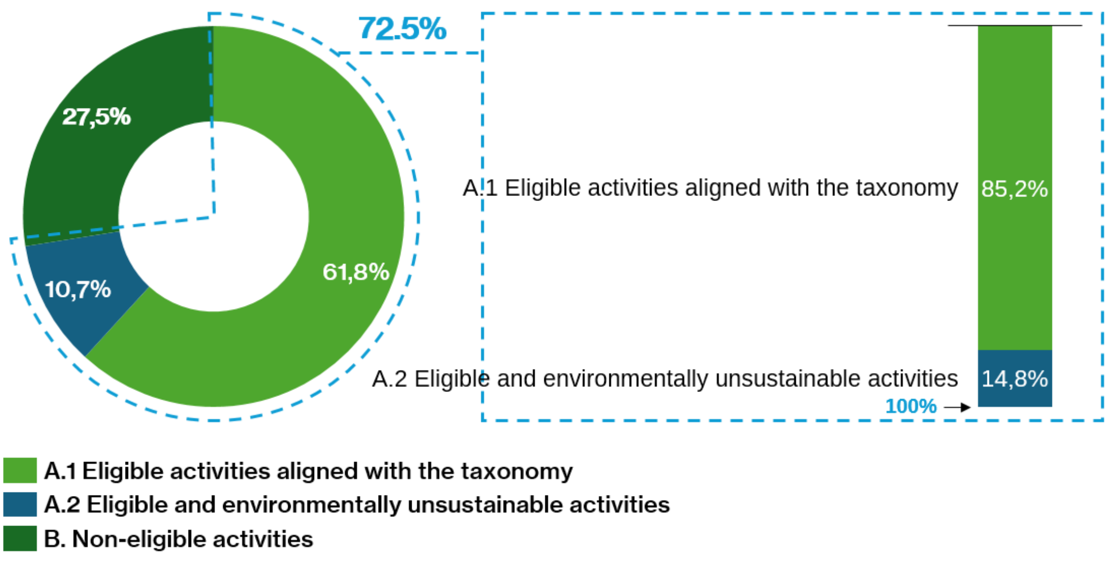

Figure 22 – Eligible Activities (aligned and not eco-sustainable) and Non-eligible Activities

	Taxonomy Alignment by objective	Taxonomy Eligibility by objective
CCM	60.0%	71.3%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

Table 19 – Proportion of capital expenditure

With reference to the capital expenditures relevant to the eligible (A.1 and A.2) and non-eligible (B) activities under the EU Taxonomy criteria, there are investments increasing by 21.9% compared to the previous year, mainly due to the Group's commitment to implementing the projects indicated in its Business Plan, in particular:

- Start of operations for the project to build the new hydrogen production plant (3.10), developed in partnership with the ENI Group at the Marghera facility;
- construction of new plants for electricity generation using solar and photovoltaic technology (4.1) amounting to approximately Euro 15 million, in addition to repowering and extraordinary maintenance expenses of Euro 1.8 million;
- continuation of project activities for the construction of the new Monte Giogo di Villore wind farm, as well as repowering and extraordinary maintenance works on certain wind power generation plants (4.3);
- extension and upgrading of electricity distribution networks (4.9);
- investments made to enhance the collection and transportation of non-hazardous waste in source-separated fractions (5.5) in new areas of the municipality of Tirana, renewal of vehicles at the companies of the Environment BU managing collection in the municipalities of Verona and Vicenza provinces, as well as the implementation of projects to establish new and/or improved collection and transfer areas at facilities dedicated to the recovery of materials from non-hazardous waste (5.9);
- installation of infrastructure enabling low-carbon road transport and public transport (6.15), i.e. electric vehicle charging stations managed by the Smart BU;
- continuation of initiatives aimed at improving energy efficiency and upgrading high-efficiency cogeneration plants producing heat, cooling, and electricity from gaseous fossil fuels (4.30) within the district heating plants managed by the Heat BU.

3. Social information

3.1 Own workforce – ESRS S1

3.1.1 Strategy

[ESRS_2, DR SBM-3, DP 13a, 13b]
[ESRS_ 2, DR SBM-3, DP 14, 15, 16]
[ESRS_ 2, DR SBM-3, DP 48a]

The following table lists the impacts, risks, and opportunities related to the AGSM AIM Group's own workforce, identified and assessed as material following its Double Materiality Analysis (DMA) conducted in 2024, as described in paragraph 1.3 Relevant Sustainability Topics.

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
S1	Adequate wages	Failure to comply with fair wage conditions constitutes a violation of workers' rights regulations and causes difficulties and hardship for the workforce. This can lead to financial insecurity, reduced motivation and productivity, as well as an increase in staff turnover.	Potential negative impact	Medium and Long Term		✓	
S1	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Potential interference in the election of union representatives and the establishment of representative bodies.	Potential negative impact	Short Term		✓	
S1	Health and safety	Injuries and illnesses caused by the failure to promote a healthy and safe working environment for company staff and third parties working with the AGSM AIM Group, with consequent impact on the national health service and regulatory bodies.	Potential negative impact	Short, Medium and Long Term		✓	
S1	Health and safety	The operation and maintenance services (so-called O&M) of wind farms, which include installation, maintenance, monitoring, and repair of turbine installations, are subject to high safety standards due to the inherent risks of the work (such as working at height); this presents a potential negative impact on employee and environmental safety.	Potential negative impact	Short and medium term		✓	
S1	Training and skills development	Negative impact associated with the lack of skills development/training opportunities for staff.	Potential negative impact	Short, Medium and Long Term		✓	
S1	Training and skills development	The implementation of training and educational activities (such as workshops, technical training programmes, and courses) is essential for developing workers' skills and abilities. Training programmes also help to improve employee satisfaction.	Current positive impact	Short, Medium and Long Term		✓	
S1	Diversity	The occurrence of gender-based violence and racism can negatively affect perceptions of the workplace and create discomfort during work activities. These kinds of incidents negatively impact staff wellbeing, lower their drive and output, and may affect their mental health.	Potential negative impact	Short and medium term		✓	

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage		
					Upstream	Own operations	Downstream
S1	Social dialogue	Potential impairment and obstacle to social dialogue between workers, employers, and trade union representatives, resulting in difficulties in securing equitable and favourable agreements for workers.	Potential negative impact	Short and medium term		✓	
S1	Privacy	There is a risk to employee privacy and personal safety if confidentiality is compromised or if cyberattacks affect company data.	Potential negative impact	Short and medium term		✓	
S1	Collective bargaining	Violation of the provisions contained in the national collective labour agreements (CCNL), resulting in a negative impact on the working conditions guaranteed to employees.	Potential negative impact	Short and medium term		✓	

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
S1	Adequate wages	Risk of non-compliance with fair wage laws, leading to increased dissatisfaction, higher turnover rates, and potential penalties.	Risk	Short and medium term		✓	
S1	Gender equality and equal pay for work of equal value	The lack of gender equality and equal pay for work of equal value can lead to discrimination claims from employees. This risk can arise from unfair hiring, promotion, and pay practices, which may be perceived as discriminatory.	Risk	Medium and Long Term		✓	
S1	Health and safety	Workplace injuries or personal harm (due to deficient workplace occupational health and safety, inadequate risk assessments, improper use of personal protective equipment, or external events) could lead to increased fines and penalties, higher compliance costs due to stricter oversight, and potential legal disputes, all impacting the Group's economic performance.	Risk	Short, Medium and Long Term		✓	
S1	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	A high rate of unionisation, combined with ineffective management of work-related issues, might cause strikes that disrupt operations and cause delays. This poses a risk of increased operational costs, disruption of cash flows, and potential legal disputes.	Risk	Short, Medium and Long Term		✓	
S1	Training and skills development	Opportunity to benefit from incentives to provide specific training to staff, enhancing the Group's appeal in the market and helping to improve the ability to retain skilled and trained personnel (talent retention).	Opportunity	Short and medium term		✓	
S1	Secure employment	Loss of a key person due to pay disparities compared to other companies in the sector, low engagement, or retirement, which could cause possible disruption or underperformance of certain business activities due to the loss of know-how and operational costs associated with recruiting, hiring, and onboarding new personnel.	Risk	Short and medium term		✓	
S1	Social dialogue	When social dialogue is compromised, workers and employers may find it more difficult to reach fair and sustainable agreements. This can lead to conflict, strikes and decreased productivity.	Risk	Medium term		✓	
S1	Collective bargaining	When a company fails to comply with the regulations set out in the national collective labour agreements (CCNL), workers and trade unions may take legal action to enforce their rights, leading to costly and potentially lengthy lawsuits. Moreover, such violations can cause strikes and other forms of protest, disrupting business operations and reducing productivity. This climate of conflict can also damage the company's reputation, making it harder to attract and retain talent and customers.	Risk	Medium term		✓	
S1	Child labour	Risk of financial losses or damage that may arise from the violation of the fundamental rights of working-age individuals. This risk materialises when current regulations prohibiting child labour are not respected. Failure to comply with such regulations can lead to serious financial consequences and damage to the company's reputation.	Risk	Medium term		✓	

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage		
					Upstream	Own operations	Downstream
S1	Forced labour	Risk of financial losses or damage arising from the violation of individuals' fundamental rights. This risk materialises when current regulations prohibiting forced labour are not respected. Failure to comply with such regulations can lead to serious financial consequences and damage to the company's reputation.	Risk	Medium term		✓	

The AGSM AIM Group considers people to be crucial in ensuring the achievement of its objectives. For this reason, it is committed to ensuring a work environment in which all people feel respected and have equal opportunities for growth and development, spreading a culture that respects and values diversity. An inclusive work environment that promotes work-life balance, values people, and respects human dignity and individuality.

Within the Double Materiality Analysis, no specific impacts, risks, or opportunities have been identified for particular groups of people. All the relevant impacts identified concern the entire company workforce of the Group, with no exceptions.
The identified significant negative impacts are potential and linked to individual events.
With reference to the currently identified positive impact in the area of training, the “Training” paragraph in the “Metrics and Objectives” section details and describes the main activities carried out by the Group.

3.1.2 Impacts, risks and opportunities management

[ESRS_S1, DR S1-1, DP 19, 20a, 20b, 20c, 21, 22, 24a, 24b, 24c, 24d]

The AGSM AIM Group is committed to achieving sustainable success by ensuring the well-being and protection of the rights of people working directly or indirectly for the Group. It respects, protects and promotes human rights and fundamental freedoms for all by committing to guarantee professional relationships with its stakeholders based on respect for human dignity. In this regard, it has defined and adopted the **Policy for the protection of human rights** in order to indicate the fundamental principles on which the Group inspires its work in order to safeguard and promote human rights when conducting its business and activities.
Through the adoption of the aforementioned Policy, AGSM AIM reaffirms its commitment to protecting human rights, including the labour rights of its employees, ensuring that all activities are carried out in compliance with the United Nations Universal Declaration of Human Rights and applicable national and international laws. Furthermore, it formally rejects any form of forced or child labour and ensures working conditions compliant with current regulations both within the Group’s companies and among its partners and suppliers.
The Group encourages the recipients of the Human Rights Protection Policy to report, including anonymously, any behaviour or omission that constitutes or may constitute a violation, or an inducement to violate, the principles set out in the Policy. Recipients are required to submit reports through the channels adopted by the Group within the violation reporting system (the Whistleblowing system).

In order to promote diversity in all its forms, combat harassment and discrimination, and ensure fair treatment for all staff, the AGSM AIM Group has established its **Policy for the Protection of Diversity, Equity, Inclusion and Gender Equality**, with the ultimate aim of creating an inclusive work environment where diverse ideas and perspectives are valued and encouraged to foster innovation and creativity.
By defining this Policy, the AGSM AIM Group declares its dedication to preventing all forms of discrimination in employment, starting from the selection and hiring stages through the adoption of inclusive and merit-based criteria, with reference to aspects such as gender, nationality, age, sexual orientation, marital status, disability, physical appearance, skin colour, ethnic and social origins, language, religion or personal beliefs, social and educational background, family and caregiving responsibilities, political opinions, or any other characteristic.

The Human Rights Protection Policy and the Policy for the Protection of Diversity, Equity, Inclusion and Gender Equality are circulated internally through publication on the company intranet and shared with all stakeholders, promoting transparency and collaboration via targeted communications and publication on the corporate website (agsmaim.it).

To ensure effective implementation of the policies, they are circulated to all Group companies so that they may acknowledge and adopt them. Furthermore, it is communicated to all stakeholders, with a view to transparency and collaboration with actors along the Value Chain, through targeted communications and publication on the company website.

During the 2024 financial year, the Group launched projects aimed at raising awareness among the company workforce on DE&I, fostering an inclusion-oriented culture that led the Parent Company to obtain gender equality certification in accordance with UNI/PdR 125:2022 standards.
This recognition represents a significant milestone within the policies adopted by the Group to support work-life balance, parenting, and care responsibilities, as well as female empowerment and professional development. The certification confirms the Parent Company's commitment to promoting a fairer, more inclusive, and sustainable work environment.
In the coming years, similar initiatives will be launched aimed at obtaining certification for the other significant subsidiaries within the Group.

[ESRS_S1, DR S1-2, DP 27]
[ESRS_S1, DR S1-3, DP 32, 33]

As outlined in paragraph 1.2.2 "Our Commitment to Stakeholders," the AGSM AIM Group uses various channels to engage directly with its people, including through trade union representatives, who play a central role in representing workers' needs and concerns.

Communication with employees, which can take the form of formal consultations or informal meetings, is an essential aspect of building a relationship based on trust and collaboration. For this reason, AGSM AIM is committed to ensuring a work environment that values active listening and open dialogue, recognising the importance of giving every individual a voice. Among the most notable opportunities for discussion are:

- **Stakeholder Engagement process** involving the personnel of the AGSM AIM Group based in Italy, through a survey conducted by the Risk Management and ESG Function in coordination with the People Transformations Department, aimed at gathering opinions on the importance of sustainability issues (environmental, social, and governance) considered relevant and potentially significant for each category.
- To ensure ongoing employee engagement on **diversity, equity, and inclusion**, the Group has implemented a mechanism for submitting anonymous reports and suggestions for improvement on the subject. As part of the training provided to staff on diversity, equity, and inclusion, the level of understanding of the topics presented is assessed, including the option to submit anonymous reports through dedicated channels.
- **"Diversity and inclusion" survey**: through the completion of a survey focused on key topics related to gender equality, diversity, and inclusion, the People Transformation Department engaged the Parent Company's staff to gather their perspectives and awareness on these issues.
- **Whistleblowing**: a mechanism that allows all staff to confidentially and securely report any breaches of the Code of Ethics, laws, regulations, and company policies and procedures. In accordance with current legislation, this mechanism prohibits any direct or indirect acts of retaliation or discrimination against the whistleblower for reasons connected, directly or indirectly, to the report.
- Reports can be made in writing, through the specific channel available on the Company's institutional website on the whistleblowing page, or verbally by meeting directly with the channel manager. As part of the training activities carried out by the Group for the benefit of personnel working in subsidiaries adopting an organisational model pursuant to Legislative Decree 231/01, the level of understanding of the topics covered is assessed, including awareness of the possibility to submit reports through dedicated channels (e.g. Whistleblowing). For further details, please refer to chapter "4. Governance information".

3.1.3 Metrics and targets

[ESRS_S1, DR S1-6, DP 50a, 50b, 50c, 50d, 50f, 52]
[ESRS_S1, DR S1-7, DP 55a, 55b, 55c]
[ESRS_2, DR SBM-3, DP 14f, 14g]
[ESRS_S1, DR S1-9, DP 64, 66a, 60b]

2,347 people in 2024

1,778 men
569 women

98.2%
people with permanent contracts

The importance of people to the AGSM AIM Group is also demonstrated by its continuous investment in human resources, with an overall increase of 529 employees during the reporting period (504 of whom at the subsidiary EcoTirana).

Women in the AGSM AIM Group represent 24.2% of the company population, 10.8% of whom, out of the total workforce, hold clerical positions. The company population mainly consists of men, equal to 75.8%. This is due to the characteristics of the business sectors in which the AGSM AIM Group operates. In particular, there is a predominant presence of male blue collar workers due to the operational management of all our services in the area, such as environmental health services, the maintenance of networks and power and heat production plants, as well as the treatment of waste.

The professional structure is made up of 0.7% executives, 3.0% senior managers, and 31.7% and 64.6% white collar workers and blue collar workers, respectively.

The Group seeks to contribute to local employment. Almost all employees actually reside within the areas in which the Group operates, in particular Veneto (AGSM AIM), Milan (AGSM AIM Energia), Abruzzo (CogasPiù Energie) and Albania (EcoTirana).

The activities put in place to support the development of people are also expressed by using contractual forms that offer greater guarantees, such as that of permanent employment. This classification represents almost all of the employment relationships in the AGSM AIM Group (98.2% of the employment contracts of the Group Companies). Part-time contracts, which account for 3.6%, arise mainly for workers' personal needs.

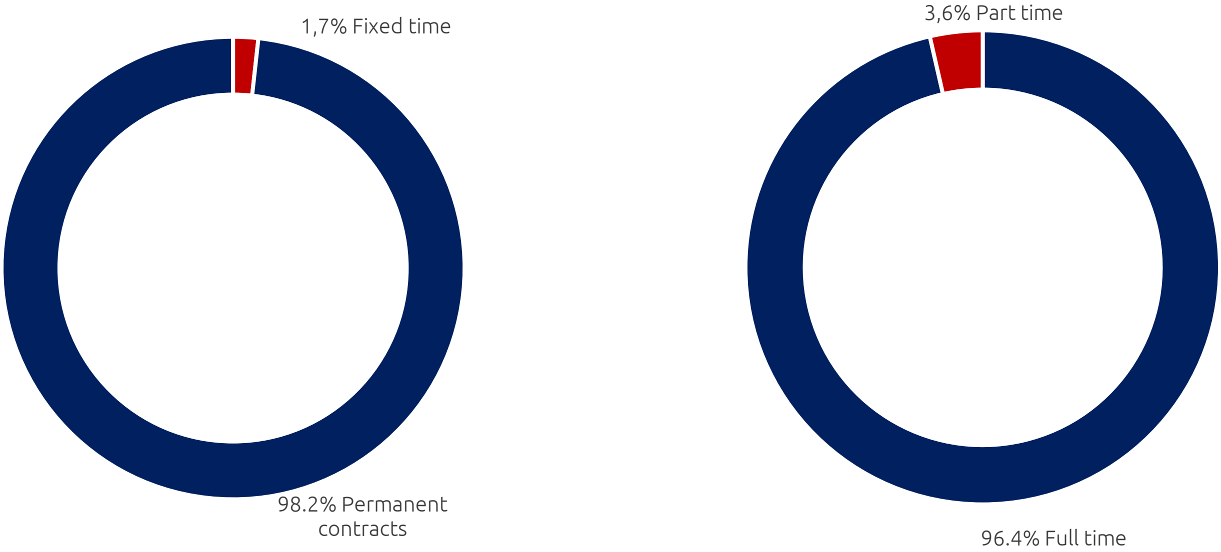

Figure 23 – Contract types

During 2024, 39 non-employees (19 men and 20 women) worked for the AGSM AIM Group. AGSM AIM's non-employees are mainly staff on manpower supply contract for the purpose of temporary employment with the Group and staff on internship contracts to perform the curricular training projects lasting about 3 months.

There are no operations within the AGSM AIM Group that pose a serious risk of forced labour or child labour.

The average age in the AGSM AIM Group is 48 years old[20].

At Group level, during 2024, 880 people were hired (92.4% of whom were related to the Group's environmental companies), of whom about 28.6% were women and 44.3% aged 30 to 50, a sign of the Group's commitment to investing in young people and encouraging generational change.

The inbound turnover rate, calculated as the ratio of the total number of people hired during the year to the total workforce in the reference year, stands at 37.5% (26.8% for men and 10.7% for women), while the outbound turnover rate is 15.0% (12.7% for men and 2.4% for women).

During the reporting period, there were 351 terminations of employment, of which 83.6% concerned the Group's environmental companies, where, due to the nature of the activities carried out, there is a high rate of employee turnover. The main reasons were voluntary resignations (72.9% of cases), followed by retirement (12.3% of cases) and the expiry of fixed-term contracts, accounting for 8.9% of the total.

Staff recruitment

The Group's process for selecting and hiring new employees involves acquiring the most suitable resources, both in terms of number and quality, aligned with the actual business needs and available financial resources, based on the principles of:
- adequate publicity of the recruitment;
- impartiality;
- cost-effectiveness and speed of execution;
- respect for equal opportunities between female workers and male workers.

Recruitment is conducted by the People and Transformation Department, following a job description agreed with managers of the Parent Company and Business Units, employing objective processes.

The selection process involves one or more motivational and technical interviews, capable of verifying the satisfaction of the aptitude and professional requirements needed for the position to be filled and assessing the candidate's potential. Each step of the process, as well as the different interactions with candidates, are tracked within a management software. The CVs received at the office, after a period of two years, will be eliminated, according to the provisions of the current legislation on privacy.
Hiring takes place with an individual employment contract, in line with the national collective agreements (of a private nature) applied by the Company.

During the reporting period, the onboarding process was designed and implemented to support all new hires throughout their first year. The process includes providing a welcome kit, organising the first day's agenda, digitising the onboarding paperwork, distributing short videos designed to convey key information about the Group and its values, and implementing a digital tracking journey of the touchpoints involving the new hire, their manager, and the Organisation and Development team.

Collective bargaining and welfare

[ESRS_S1, DR S1-4, DP 38a, 38b, 38c]
[ESRS_S1, DR S1-8, DP 60a, 60b, 63a, 63b]
[ESRS_S1, DR S1-10, DP 69, 70]
[ESRS_S1, DR S1-15, DP 94]

The AGSM AIM Group sets its remuneration policy in full compliance with internal equity and Italian legislation, with scrupulous reference to the relevant National Collective Bargaining Agreements, excluding any type of discrimination.

Within the Group, numerous National Collective Employment Contracts (CCNL) are in force, including:
- National Collective Labour Agreement for Managers in Public Utility Service Companies Confservizi-Federmanager (accounting for 1.1% of the total workforce based in Italy);
- UTILITALIA CCNL for the Environment Sector (accounting for 10.9% of the workforce located in Italy);

[20] The average age data exclude EcoTirana and SERIT companies.

- FISE CCNL for the Environment Sector (accounting for 25.8% of the workforce located in Italy);
- UTILITALIA CCNL for the Electric Sector (accounting for 61.8% of the workforce located in Italy);
- Confcommercio CCNL for the Service Sector (accounting for 0.3% of the workforce located in Italy).

100% of the employees in Italy are covered by the above-mentioned National Collective Bargaining Agreements.
The costs that AGSM AIM incurs for its employees mainly take into consideration: both immediate (remuneration and fringe benefits) and deferred (severance indemnities and additional months) direct remuneration, and indirect remuneration (social security contributions borne by AGSM AIM Group companies).

Personnel costs are a significant indicator of the contribution of the AGSM AIM Group to employment in the local area (Veneto) in which 58.5% of its employees reside.

The Group supports freedom of association and the effective recognition of the right to collective bargaining, considering dialogue with trade unions and workers' representatives essential. Periodic meetings with company union representatives are planned in order to promote not only constant communication but also proactive cooperation on all relevant issues, with particular attention to safety, training and sustainability initiatives.
The unionisation rate within the AGSM AIM Group in 2024, calculated as the number of union members over the total employees based in Italy, is 28.7%.

With regard to supplementary pensions, AGSM AIM favours the registration of workers both in the negotiation supplementary pension funds (Pegaso, Previambiente, Previndai, Fonte) and in the open funds (of a private nature and promoted by the main insurance companies and credit institutions). Membership in a Negotiation Fund entitles the employer to contribute at least the same amount paid by the worker.

The Group provides different opportunities for both supplementary health protection and the development of recreational activities for employees.

For personnel based in Verona, "ordinary membership" is envisaged in CRAEM, a welfare and recreational club set up among all employees in accordance with the provisions of the National Collective Bargaining Agreement and trade union agreements, which has as its purpose the moral and physical elevation of workers with the implementation of welfare, social security, cultural, artistic, recreational and sports initiatives. Employee membership can also be of the "voluntary type" by paying a percentage of the gross monthly salary based on the package (recreational activity and/or care activity) and the type of membership selected (ordinary or voluntary).

Personnel based in Vicenza are expected to join FISDE OPEN to ensure greater health coverage as well as to join CRAIM to develop recreational activities and opportunities for colleagues to share.

The performance bonus, negotiated during second-level bargaining, is linked to measurable and quantifiable increases in productivity, profitability, quality, or efficiency and innovation of the production process. In all Group companies, the targets for the 2024 bonus are closely linked to the business of each legal entity, or functional to it, and are aimed at enhancing and measuring collective performance.
Regarding the Parent Company, it consists of numerous staff units whose main objective is to support and enhance the service provided or the activities carried out by the subsidiaries.

For the various subsidiaries, the objectives are instead focused on improving qualitative and quantitative performance, achieving specific results, or implementing and developing new business activities or phases thereof.

The financial award, once the Group's consolidated financial profit is achieved, will depend on the attainment of the Group's objectives.
Therefore, the annual Performance Bonus for the employees will be related:

a. to the profitability parameter for a percentage of 40%;
b. to the productivity and quality parameter for a percentage of 60%.

In this regard, the possibility of converting, in whole or in part, the amount of the Performance Bonus into forms of welfare was also maintained in 2024. In particular, to all workers who freely chose to convert their Bonus into welfare goods and services and who are entitled to do so under current tax legislation, the Company made available an additional package of welfare goods and services with a value equal to 20% of the converted portion of the Bonus. Instead workers who chose to convert the Performance Bonus by allocating it in whole or in part to the sector Supplementary Pension Fund, were granted a further amount equal to 5%, in addition to the above value of 20%, of the converted portion of the Performance Bonus.

Among the "**Flexible Benefits**" made available: fuel vouchers, food vouchers, shopping vouchers, health packages, travel packages, cinema, theatre, gym and swimming pool season tickets, educational and training expenses, and other care costs.

The AGSM AIM Group made available an individual budget to beneficiaries, equal to the portion of the envisaged Performance Bonus, to be paid via the forms described above. Beneficiaries can convert their Bonus into welfare benefits by logging on to the dedicated welfare portals. Failure to choose conversion into one of the proposed benefits results in full payment of the Bonus in the salary, with reduced taxation, for those entitled in accordance with the provisions of current tax regulations.

We invest in the wellbeing of our People

In order to improve the quality of life of the Group's personnel, greater flexibility is one of the levers for improving performance and productivity.

AGSM AIM facilitates the work-life balance by applying flexible working hours, providing part-time employment contracts, and allowing the use of smart working. In the 2024 financial year, remote working involved 444 people within the AGSM AIM Group (31% of the total workforce based in Italy), accounting for a total of 164,178 hours.

In support of employment and in order to **reconcile private life** with work commitments, the AGSM AIM Group intends to gradually adopt some measures which are currently being developed and studied, such as:

- **Flexibility under exceptional circumstances**
- The Group takes into account the needs of workers, analysing each situation and arranging ad hoc management for each individual, based on a linear organisation.
- **Part-time on return from maternity leave**

  Every request received is carefully reviewed with the aim of enabling all individuals to balance caregiving responsibilities or other personal needs with their career path.
- **Remote working**
- AGSM AIM has introduced and consolidated smart working for all roles in those staff categories which can work remotely. Smart working represents a form of flexibility and at the same time a new management philosophy, which evaluates work on objectives and not on schedules.

In addition, the AGSM AIM Group complies with the Consolidated Law on the protection and support of maternity and paternity (Italian Legislative Decree 151/2001 and subsequent amendments), which regulates the leave, rest, absence and economic support of workers, related to maternity and paternity of natural, adoptive and foster children.

AGSM AIM also supports its personnel in parenting by providing a maternity allowance of 100% of salary instead of the 80% envisaged by applicable legislation during the period of compulsory leave.

During the reporting period, several initiatives were introduced to promote corporate wellbeing, such as "Solidarity Hours," which allow employees to voluntarily and freely donate their holiday hours to colleagues needing to care for minor children or family members, as well as paid leave for assisting children under 18, parents over 65, spouses, or cohabiting partners.

It should be noted that all employees of the AGSM AIM Group are entitled to family leave in accordance with the social policy adopted by the Group and the applicable collective agreements.

Diversity & Inclusion

[ESRS_S1, DR S1-12, DP 79]
[ESRS_S1, DR S1-16, DP 97a, 97b]
[ESRS_S1, DR S1-17, DP 103a, 103b, 103c, 104a, 104b]

Diversity, equity and inclusion are fundamental values to promote and create an open, respectful and plural working environment, where everyone can contribute with their own uniqueness, and bring added value to the organisation and the community in which it operates.

Diversity represents people as distinct identities, fostering a heterogeneous cultural environment, nurturing creativity, innovation, productivity and the generation of ideas, and improving the working environment. Therefore, it must be safeguarded and protected in all its forms, as a source of wealth for the growth of the Group and for the community in which it operates.

The Group promotes respect for equal opportunities in each dimension of diversity:
- **gender:** committing to combating stereotypes, prejudices, even unconscious, and any form of discrimination related to gender differences or gender identity;
- **interculturality**: recognising the value that the integration of different cultures and experiences can offer on a human, social and professional level, generation and disability;
- **generation:** addressing the challenges related to the evolution of society, the market and innovation through the knowledge, experiences and different perceptions of work, roles and relationships that characterise each age;
- **disability**: recognising equal opportunities, regardless of sensory, cognitive and motor disabilities by adopting any action or measure aimed at breaking down cultural, structural, sensory and physical barriers. Within the Group some personnel belong to the protected categories, representing 1.4% of the total workforce.

AGSM AIM also promotes equality right from the time of recruiting staff with job growth paths based on criteria of competence and performance and is committed to eliminating all forms of discrimination based on gender, age or personal and ideological beliefs, in order to foster a harmonious and stimulating working environment.

Similarly, in the 2024 financial year, no reports were received through the channels provided to AGSM AIM Group personnel, and no sanctions were recorded concerning incidents of discrimination or harassment.

AGSM AIM's commitment to combating and preventing all types of discrimination is also reflected in the remuneration structure of its staff. The Group's system of remuneration policies is based on the ability to recognise the most appropriate remuneration package on the basis of individual performance and professional skills. Any distinction in remuneration between the persons of AGSM AIM may be exclusively attributable to these factors.

The ratio between the remuneration of women compared to that of men in the senior and middle managers, white collar workers, and blue collar workers categories is equal to: 95%, 92% and 74% respectively. While the ratio of the basic salary is equal to: 93% for senior and middle managers, 92% for white collar workers and 76% for blue collar workers[21].

Gender gaps, where present, are linked to aspects like the organisational significance of the role, responsibilities, and seniority level.

The analysis of specific deviations did not reveal discriminatory trends but dynamics linked to the representativeness of the female sample in the reference cluster.

The ratio between the total annual remuneration of the highest-paid individual and the median total annual remuneration of all other employees in the 2024 financial year is 5.17%.

[21]The data do not include the companies EcoTirana, SIA, and Serit

Training

[ESRS_S1, DR S1-13]

The AGSM AIM Group promotes a working environment where all employees feel positively involved in ensuring the definition of their own skills and career development path, while maintaining high performance and motivation.

Training is an important part of developing personnel. Given the nature of the activities provided, continuous updating in the regulatory and technical field is essential for providing an adequate and efficient level of service.

On-the-job training plays a primary role and is guaranteed thanks to the involvement of hierarchical superiors, who are encouraged to take a leading and coaching role in the development of their co-workers, to ensure that they are successful in their current role while increasing their awareness for future career aspirations.
In 2024, 44,682 hours of training were provided to employees, 52.2% more than in the previous reporting period. In 2024, the per capita training hours per participant in the AGSM AIM Group amounted to 19.4.

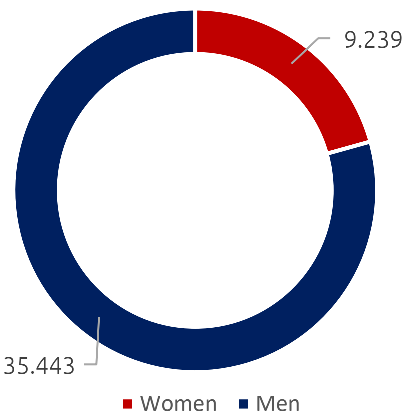

Figure 24 – Hours of training by gender

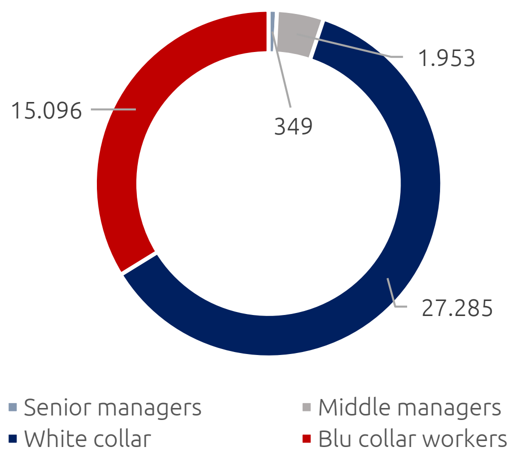

Figure 25 – Hours of training by

At the end of each training course, employees are asked to evaluate the teaching, the content covered and the overall effectiveness by completing an anonymous questionnaire. E-learning training will be provided to allow greater flexibility for employees.

In 2024, work continued on the VOLT UP project, aimed at developing individual skills and initially addressed to all AGSM AIM Group employees under the age of 40 (graduates and high school diploma holders in technical subjects). The project will be completed during 2025 with the aim of identifying specific individual courses for all participants, aimed both at professional development and at increasing engagement. The more than 80 participants in the 2024 project monitored their action plans, and in 2025 they will be involved in specific training initiatives.

For more details regarding the training plan implemented during the financial year, please refer to section "1.5 Human Resources" of the Report on Operations in these Consolidated Financial Statements.

Occupational health and safety

[ESRS_S1, DR S1-1, DP 23]
[ESRS_S1, DR S1-14, DP 88a, 88b, 88c, 88e]

The Group is committed to the health and safety of all its workers.

The occupational health and safety management system adopted, as defined by the current provisions of Italian Legislative Decree no. 81/08 "Consolidated Law on Health and Safety at Work", provides for a careful examination of the risks of each sector of activity with the aim of continuously improving work and social performance.

The Group's managerial approach to this issue has long been inspired and guided by international standards and rules: firstly, the reference was the OHSAS 18001 standard and then the ISO 45001 standard, which are observed by the systems implemented in nine Group companies. 100% of the employees are covered by the occupational health and safety management system.

The AGSM AIM Group identifies the hazards present in company activities that may cause accident or illness through inspections carried out jointly in the workplace by the Heads of the Health and Safety Service (RSPP), Company Doctors, Workers' Health and Safety Representatives and the related heads of unit. The Group Companies then assess the risks to the health and safety of workers due to the hazards detected in the workplace, and check whether there is the possibility of eliminating or reducing them by adopting prevention and protection measures.

In the event of an accident, an investigation is launched which may include, in addition to interviewing the injured person and any witnesses, an inspection of the site of the event. The objective of the investigation is to determine its causes in order to identify the measures to be taken to prevent it from happening again. A similar investigation is opened in the case of near misses.
In accordance with the provisions of Articles 17, 18, 28 and 29 of Legislative Decree 81/08, Employers, in collaboration with the Heads of the Health and Safety Service (RSPP) and the Company Doctors, implement a process to identify the hazards and assess risks to health and safety in the workplace and in the activities carried out by the personnel. This process allows Employers to identify suitable prevention and protection measures to avoid or, if not possible, reduce the likelihood of an unfavourable event or, in any case, reduce its consequences.

The provision of Personal Protective Equipment (helmet, footwear, high-visibility clothing, etc.) or Collective Protective Equipment is the responsibility of the company, which also provides training for correct use. The Health and Safety Service (SPP) identifies the characteristics of the necessary PPE by preparing a special catalogue and verifies its effectiveness with the support of the workers, supervisors, Workers' Health and Safety Representatives and heads of department.

The risk assessment and the consequent prevention and protection measures are contained in the Risk Assessment Document (DVR) prepared for each Group company.

Given the type of accident events and risks identified in the DVRs, the "Corporate Wellness" project was launched in 2023. It is aimed at training and raising the awareness of workers with the aim of preventing musculoskeletal disorders, visual disturbances and biomechanical overload pathologies of the upper limb.

At the various company sites, plans are in place to manage possible emergencies, known as "Emergency Plans". To this end, in each Group company, there are personnel specifically trained in fire-fighting, first aid and also in using a defibrillator, available in various company premises. The emergency procedures require that anyone who detects an abnormal or dangerous situation should call the internal designated numbers answered by the personnel in charge.

In 2024, there were 60 accidents at work, of which the main causes were tripping, slipping, stress injury and injuries caused by working. There were 15 commuting accidents, this term indicating those accidents occurring when travelling from home to the workplace with means owned by the individual worker. In these events, the causes depend on factors that cannot be managed by the companies of the AGSM AIM Group.

Finally, there are 12 accidents that can be classified as accidents with serious consequences for absence from work of more than 40 days. No event had an initial prognosis of more than 40 days.
No fatalities resulting from injuries or illnesses related to work activities were recorded during the reporting period.

In 2024, the AGSM AIM Group maintained the trade union agreement to protect workplace safety concerning adoption of the "man on the ground" system for isolated or solo workers.

Health surveillance, as regulated in Section V (Health Surveillance) of Italian Legislative Decree no. 81/08 and in the Risk Assessment Document, is entrusted to external professionals (Article 41 of Italian Legislative Decree no. 81/08) who meet the legal requirements. Company doctors, based on risk assessment and regulations, define health protocols for health surveillance and subject employees to medical examinations during working hours.

In addition to regular medical examinations, according to the health protocol, examinations are made in the event of hiring, change of job, due to absence for illness/accident of more than 60 days and upon request to the doctor by the worker. The frequency and type of examinations are contained in the health protocol prepared by the Company Doctors based on the job, age and risk to which the employee is exposed. Health surveillance expenses are borne entirely by the relevant company.

In the head offices of the Parent Company and in the premises of Group companies, a room hosts the infirmary and is used by doctors on a weekly or on-demand basis. Blood tests and specialist exams, which take place on the prescription of the company doctors, are entrusted by the Group to external medical laboratories based on an agreement. Personnel are invited to attend the medical examination within the time limits laid down in the regulations, by means of individual written communications from the Health and Safety Service.

All health data is processed in accordance with current legislation and remains with the company doctors.

Health surveillance includes the prevention of occupational diseases that the worker could contract in carrying out their activity. 18 Applications were received in 2024 for the recognition of occupational diseases by Group employees or former Group employees, all in the environmental area.

It is believed that the jobs most exposed to risks are those of the environmental sectors or in any case operational.

Meetings are scheduled at least once a year involving the Employers, the Health and Safety Service, company doctors and workers' safety representatives to manage potential problems related to workers' health and safety. During the meetings, an analysis is made of the Risk Assessment Document, the trends of accidents, occupational diseases and health surveillance, as well as the suitability of the PPE provided and the personnel safety training programmes.

It is extremely important for each employee to be aware of the risks to which they are exposed in their activities; this awareness is also gained by participating in safety training organised by the Company. The Group is strongly committed to involving employees, on all levels, in safety training to spread the culture. Though to a limited extent, the traditional meetings with the operational contact persons have resumed, in which accidents and near misses in the Group in the previous year are analysed together with the Head of the Health and Safety Service.

3.2 Workers in the value chain – ESRS S2

3.2.1 Strategy

[ESRS_2, DR SBM-3, DP 11, 11a, 11b, 11c, 11d, 12, 13]
[ESRS_ 2, DR SBM-3, DP 48a]

The following table lists the impacts, risks, and opportunities related to workers in the value chain that the AGSM AIM Group identified and assessed as material following its Double Materiality Analysis (DMA) conducted in 2024, as described in paragraph 1.3 Relevant Sustainability Topics.

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
S2	Secure employment	Potential inadequate protection of workers in temporary employment, lacking a contract, or facing non-compliance with contractual terms, leading to insufficient safeguards and exposure to financial insecurity.	Potential negative impact	Short, Medium and Long Term	✓		✓
S2	Health and safety	In the construction and maintenance of electricity and gas transmission and distribution lines, workers are exposed to prolonged periods of work at height or underground, the use of heavy machinery, and the risk of electrocution or explosion, which negatively impacts their physical safety and mental wellbeing.	Potential negative impact	Short, Medium and Long Term	✓		
S2	Health and safety	Workers in the fuel cell and industrial battery sector are exposed to risks to human health, including solvents, corrosive substances, lead (and its compounds), arsenic (and its compounds), cadmium, and sulphuric acid, as well as known or suspected carcinogenic, teratogenic, and mutagenic substances. They also face potentially hazardous working conditions that may result in fires, explosions, frostbite burns, and electrocution.	Potential negative impact	Short and medium term	✓		
S2	Health and safety	Operation and maintenance (O&M) services for wind farms carried out by third-party providers, including turbine installation, maintenance, monitoring, and repair, are subject to high safety standards due to the inherent hazards of the work, particularly working at height. This poses a potential negative impact on worker safety and the environment.	Potential negative impact	Short and medium term	✓		
S2	Child labour	The employment of child labour, contrary to international law, is a serious concern in high-risk countries with weaker regulatory enforcement. This situation constitutes a serious violation of human rights and harms the proper development of children.	Potential negative impact	Short and medium term	✓		
S2	Forced labour	Forced labour, which violates international law, is a major concern in high-risk countries where regulatory enforcement is weak. Notably, this includes components originating from China and materials used in solar panel production. This situation is a serious violation of human rights and harms the health and safety of workers.	Potential negative impact	Short and medium term	✓		
S2	Privacy	Failure to protect personal data due to the rise of cybercrime and/or lack of measures to ensure cybersecurity.	Potential negative impact	Short and medium term	✓		✓

Results of the financial materiality assessment

As part of the Double Materiality Analysis process, AGSM AIM has mapped its value chain, identifying the main categories of suppliers and customers involved upstream and downstream. This analysis has highlighted certain specific features, appropriately assessed, related to the identified risks and negative impacts.

					Value Chain Stage		
ESRS	Sustainability topic	Description	IRO	Time horizons	Upstream	Own operations	Downstream
S2	Health and safety	Workplace accidents in cases of contracting or subcontracting due to ineffective supervision by managers or contract representatives, which could lead to reputational and financial damage (such as legal disputes and extra costs for finding new suppliers)	Risk	Short, Medium and Long Term	✓		
S2	Secure employment	Poor management of supplier relationships and failure to monitor social issues (such as unpaid overtime, insecure work contracts, etc.) can cause reputational damage and lead to loss of trust from stakeholders	Risk	Short, Medium and Long Term	✓		
S2	Child labour	Risk of financial losses or damage that may arise from the violation of the fundamental rights of working-age individuals. This risk arises when suppliers and business partners fail to comply with current regulations prohibiting child labour. Failure to comply with such regulations can lead to serious financial consequences and damage to the company's reputation. This situation could pose a risk to AGSM AIM in terms of supply disruption and impact on its production activities.	Risk	Short, Medium and Long Term	✓		
S2	Forced labour	Risk of financial loss or damage arising from violations of fundamental rights in the workplace. This risk arises when suppliers and business partners fail to comply with current regulations prohibiting forced labour. Failure to comply with such regulations can lead to serious financial consequences and damage to the company's reputation. This situation could pose a risk to AGSM AIM in terms of supply disruption and impact on its production activities.	Risk	Short, Medium and Long Term	✓		
S2	Privacy	Failure or inadequate management of confidentiality and data protection regulations (GDPR 679/2016) that could lead to litigation with a critical financial impact on the Group	Risk	Short and medium term	✓		

Specifically, regarding the risks and negative impacts related to child labour and forced labour, workers employed in non-EU companies are considered at greater risk, as they are not subject to the current European regulations protecting workers' rights. Regarding health and safety at work, workers considered most at risk are those performing tasks involving long periods working at heights, such as in the construction and maintenance of power distribution lines, or those potentially exposed to harmful substances, such as in battery production.

The identified IROs, which refer to isolated incidents and are not systemic in nature, are closely linked to the Group's commitment to promoting responsible management throughout the entire value chain and protecting workers' rights, as detailed in the following paragraph.

3.2.2 Impacts, risks and opportunities management

[ESRS_S2, DR S2-1, DP 17a, 17b, 17c, 18, 19]
[ESRS_S2, DR S2-3, DP 27a, 27b, 27c, 27d, 28, 29]
[ESRS_G1, DR G1-2 DP 15a, 15b]

To manage impacts, risks, and opportunities related to workers in the value chain, the AGSM AIM Group promotes responsible management throughout the entire supply chain by adopting targeted policies that reflect a strong commitment to human rights protection and compliance with international regulations. These principles are clearly stated in the Code of Ethics, the Sustainability Management Policy, and the Human Rights Protection Policy, where AGSM AIM reaffirms its commitment to reject any form of forced, slave, or child labour and to ensure working conditions comply with current legislation, including among its partners and suppliers.

The focus on responsible supply chain management starts from the phase of supplier selection and contracting and continues over time, through regular dialogue, support, monitoring and control activities.

All new suppliers are required to accept the Code of Ethics, Model 231, and the Integrity Pact during the onboarding phase. All suppliers of the Group receive information on the AGSM AIM Group Code of Ethics, where the use of the Group's reporting channels is also encouraged.

The selection of suppliers is carried out in compliance with the principles enshrined in the EU Treaty for the protection of competition and is inspired by principles of impartiality, competence, and cost-effectiveness, as well as principles of transparency and excellence, in compliance with the highest quality standards. The supply relationships are based on compliance with the laws and regulations in force also in the field of labour, human rights, health and safety, environmental protection, the fight against corruption and illegality.

For the acquisition of goods and for the award of the provision of services and the execution of works to third parties, the companies of the AGSM AIM Group are subject, in the respective sectors, to the provisions of Legislative Decree no. 50/2016 as amended ("Public Contracts Code"). Pursuant to Article 36, paragraph 8, of Italian Legislative Decree 50/2016, the AGSM AIM Group has adopted its *"Company Regulation for works, services and supply contracts for an amount below the EU threshold*".

The internal rules of awards of contract and performance are also inspired by the legislative principles of proportionality, rotation, non-discrimination and equal treatment between economic operators. In order to ensure transparent and effective management of the procedures for awarding works, services and supplies, the AGSM AIM Group has established the "Procurement Portal", a tool for communicating and interacting with suppliers, available on https://www.agsmaim.it/fornitori.

Through this Portal, the AGSM AIM Group manages its online Supplier Register, which allows the registration of those who intend to apply and express their interest in being invited to submit bids, without prejudice to the fact that the economic operators are qualified on a case-by-case basis according to the call for tenders.

With a view to absolute transparency, the general conditions of participation and the rules for registration in the Supplier Register and the supplier registration guide are published on the Procurement Portal. In addition, an online technical assistance service is provided to use the Portal for operators who request it.

The economic operators to be consulted are identified on the basis of information regarding compliance with requirements related to general qualification, professional ethics, characteristics of economic-financial and technical-organisational qualification, and in particular, minimum environmental requirements.

For some types of supplies and services, the AGSM AIM Group Companies require potential suppliers, within reason and where permitted, to possess specific technical, organisational and economic-financial skills, as objective as possible and always proportionate to the nature and the subject of the contracts, as well as, more and more frequently, to prove the fulfilment of and compliance with the management standards issued on the basis of the European standards of the UNI EN ISO series relating to systems for managing quality, health and safety, environment, etc.

The inclusion in the Supplier Register is, in any case, subject to the prior acceptance of and compliance with the Integrity Agreement, the Code of Ethics and the Organisation, Management and Control Model adopted pursuant to Italian

Legislative Decree no. 231/2001 which constitute the necessary and indispensable prerequisite for contracting with the AGSM AIM Group.

The AGSM AIM Group is promoting the dissemination and awareness of sustainable topics and criteria related to procurement and contracting, especially for specific types of purchases and projects, including through the application of Minimum Environmental Criteria (CAM), which are necessary for a contract to be classified as "green" according to the guidelines of the National Action Plan for Green Public Procurement (PAN-GPP).

For the AGSM AIM Group it is especially important to spread knowledge and use of quality, safety and environment certifications, not only referred to products and services but also within the scope of other processes and projects (a requirement that is now consolidating in many tenders) through ISO 9001:2015, ISO 14000:2015 and ISO 45001:2018 certifications.

AGSM AIM prefers the choice of qualified, reliable suppliers and, where possible, located in its reference territory. Support for local production is, in fact, an integral part of the Group's commitment to the communities where it operates, in order to foster the development of the local economy, promoting the creation of shared value.

As of 31 December 2024, the Group has not identified any events related to negative impacts directly or indirectly caused to workers within its value chain.

If potential impact areas are identified, AGSM AIM commits to addressing any adverse situations promptly, in accordance with the **Reporting Policy** adopted by the AGSM AIM Group, compliant with Legislative Decree No. 24/2023 (known as the *Whistleblowing Decree*).

Procurement management

The requirements to participate in tenders are related to professional competence as well as to the priority compliance with the requirements of professional ethics. It is also generally required to meet requirements relating to economic and financial standing, and technical and professional suitability. With reference to tenders concerning waste disposal, the legal authorisations required from the contractor for the transport, storage and disposal of waste, both with regard to the vehicles used and the plants of destination, are always verified so as to ascertain the legal suitability to operate with total respect for the environment.

Tenders are mainly awarded based on the best price, or alternatively on the economically most advantageous offer (best value for money) based on both technical and economic criteria that consider the different parameters depending on the type and characteristics of the awards.

The Group companies undertake to inform the supplier in a correct and timely manner regarding the characteristics of the contracts, the payment methods and times in compliance with current regulations and internal accounting procedures, contents and contractual clauses in general. The AGSM AIM Group guarantees its contractors that the performance of the contract is carried out in a manner consistent with the principles of equality, fairness, diligence and good faith in compliance with current legislation, the contracts signed and company procedures.

The professional and technical suitability of contractors or subcontractors in relation to works, services and supplies to be awarded under a tender, by works contract or manpower supply contract, is scrupulously verified, providing companies with detailed information on specific risks in the environment in which they are intended to operate and on the preventive and emergency measures taken in relation to their activities. The supplier companies cooperate in the implementation of the measures designed to prevent and protect from risks on the work site that have an impact on the work activity subject to contract, coordinate the operations aimed at the protection from and prevention of the risks to which the workers are exposed, thereby exchanging information, in order to eliminate risks due to interference between the activities of the different companies involved in the performance of the overall work (Articles 14 and 26 of Legislative Decree 81/2008).

In the awarding of tenders relating above all to companies operating in the environmental field (e.g. Valore Ambiente, SIA, etc.), if considered appropriate also on the basis of the movement of the vehicles involved, the containment of the movement of vehicles within the territory and the homologation classes referring to the emissions into the atmosphere of the discharges are often evaluated in rewarding terms. The aim of the valuation criteria is to reduce atmospheric emissions and hence air pollution as much as possible. Considering the extent of the movements and the use of means for collecting and transporting waste for disposal, this criterion is particularly effective in terms of respect for the environment and with a view to sustainability.

[ESRS 2 S2-4 DP 32 a, 32 b, 32 c, 32 d, 33 a, 33 b, 33 c, 34 a, 34 b, 35, 36, 38]

As described in this paragraph, the AGSM AIM Group is continuously committed to ensuring that no negative impacts occur along its supply chain, particularly with regard to operational activities carried out in situations presenting risks of interference. This commitment is primarily put into practice through the adoption of control and prevention tools, such as the Code of Ethics and the Organisation, Management and Control Model required by Legislative Decree 231/2001, along with procedures and operational instructions adopted within the ISO 45001 occupational health and safety management system, which define the expected behaviours and integrity criteria for business partners. Where deemed appropriate, suppliers are required to provide their services and work only if they hold equivalent certifications and adopt international standards.

Aware of the ongoing changes in the social and regulatory context, the Group plans to further strengthen its approach in the future by developing new actions and monitoring tools to promote sustainable practices throughout the entire value chain and enhance the protection of workers' rights.

During the year, no serious issues or incidents related to human rights connected to the upstream and downstream value chain were reported.

3.2.3 Metrics and targets

[ESRS 2 S2-5 DP 42a, 42b, 42c]

Although quantitative targets regarding workers in the value chain have not yet been established, the AGSM AIM Group considers it essential to adopt a proactive approach and reserves the right to identify and incorporate specific objectives in a later phase following this report.

3.3 Affected Communities – ESRS S3

3.3.1 Strategy

[ESRS_2, DR SBM-3, DP 8a, 8b, 9, 10, 11]
[ESRS_ 2, DR SBM-3, DP 48a]

The following table lists the impacts, risks, and opportunities related to affected communities that the AGSM AIM Group has identified and assessed as material following its Double Materiality Analysis (DMA) conducted in 2024, as described in paragraph 1.3 Relevant Sustainability Topics.

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
S3	Water and sanitation	Leachate leakage from landfills can negatively impact local communities' water and sanitation services, as it may contain hazardous chemicals that, if reaching groundwater, could contaminate drinking water supplies.	Potential negative impact	Short and medium term		✓	
S3	Free, prior and informed consent	The lack of involvement and communication with local communities about the acquisition, planning, and construction of buildings and facilities, as well as the management or closure of sites or plants, can lead to negative impacts on communities and social conflicts.	Potential negative impact	Medium and Long Term	✓	✓	

Results of the financial materiality assessment

As part of the Double Materiality Analysis process, AGSM AIM has mapped its value chain, identifying the local communities affected by its activities and those of upstream and downstream stakeholders. The analysis revealed that significant negative impacts and risks mainly affect communities living or working near the company's and suppliers' operational sites.

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
S3	Land-related impacts	The inability to manage and reduce the ecological impacts associated with the Group's operations (such as air pollutants, odours, etc., emitted from landfills, management activities, and treatment plants) could cause dissatisfaction in the local community, resulting in reputational damage.	Risk	Medium and Long Term		✓	
S3	Free, prior and informed consent	The absence of free, prior, and informed consent can lead to strong opposition from local communities (e.g. NIMBY and NIMTO phenomena) against the design and construction of facilities, including wind and solar plants. This risk may arise from environmental, social, or economic concerns related to the company's projects. Community resistance may manifest through protests, petitions, legal actions, or requests for project modifications.	Risk	Short, Medium and Long Term		✓	

For further information on the mitigation measures adopted by the Group regarding the negative impact of leachate leakage from landfills, please refer to chapter “2.2 Pollution – ESRS2”.

The identified IROs refer to isolated incidents and do not exhibit a systemic nature.

3.3.2 Impacts, risks and opportunities management

[ESRS_S3, DR S3-1, DP 15, 16, 17]
[ESRS_S3, DR S3-2, DP 21, 22, 23]
[ESRS_S3, DR S3-3, DP 27]
[ESRS_S3, DR S3-4, DP 32, 33, 34, 35, 36, 38]

AGSM AIM supports the economic development and growth of people living in the areas where the Group operates by creating job opportunities and prioritising the selection of local suppliers, where possible, consistent with operational needs and economic viability.

Although it currently lacks a specific policy regarding affected communities, the Group is committed to enhancing the economic, social, and cultural development and well-being of the communities in which it operates through sponsorships and donations, investing in projects that can create a positive impact on people. The initiatives in the area, partly funded by AGSM AIM, aim to protect and enhance the historical and cultural heritage, as well as to promote education and training for young people in the fields of academics, music, and sports.

During 2024, the Group played an active role in promoting and supporting several significant cultural, sporting, social, musical, and environmental events of both local and national importance, with a **financial commitment of Euro 1.1 million.**

Each year, to maintain a strong connection with the community, AGSM AIM Group prioritises backing small cultural organisations, amateur sports clubs and associations for people with disabilities, non-profits, and groups dedicated to promoting local traditions.

The initiatives in the territory, supported by AGSM AIM, aim to protect and showcase the historical and cultural heritage, as well as encourage the education and training of young people and sports activities.

The criteria used for allocating financial resources through sponsorships and donations adhere to the principles set out in the Guidelines for the Management of Sponsorships and Donations.

The AGSM AIM Group is committed to maintaining ongoing dialogue with its stakeholders, including through its support and participation in local events. If potential impact areas are identified, AGSM AIM commits to addressing any adverse situations promptly, in accordance with the Reporting Policy adopted by the AGSM AIM Group, compliant with Legislative Decree No. 24/2023 (known as the Whistleblowing Decree).

During the year, no human rights incidents were reported in the local communities near the facilities and operational areas.

Social Initiatives

During 2024, the AGSM AIM Group participated in numerous solidarity initiatives in favour of people and families in difficulty, becoming a reference point in the social sustainability of the Verona and Vicenza area. AGSM AIM has also supported numerous associations and social initiatives, including the State Police campaign "This is Not Love," La Grande Sfida Onlus, the Pia Società di Don Nicola Mazza, Pope Francis's visit to Verona, the 2024 National Route of AGESCI Community Leaders, the photography course for blind and visually impaired people promoted by UICI Verona, LILT Verona, and Movember Verona.

Photography course for blind and visually impaired people
AGSM AIM supported the organisation of a photography course promoted by the Italian Union of the Blind and Visually Impaired in Verona, led by photographer Sergio Maria Visciano. The exhibition titled "Fotografia al Buio" [Dark Photograhy] showcased about twenty photographs taken by visually impaired and blind people, displayed both at the National Archaeological Museum of Verona and in the AGSM AIM Energia customer area.

“La Grande Sfida International - Abbiamo bisogno di noi” (The Great International Challenge - We need us)

The initiative, now in its twenty-ninth edition, aims to bring people together through their common passions for sport, art, culture, the spiritual dimension and work. The event is a meeting point between the world of disability and the associative, cultural, educational, institutional, administrative, religious and economic realities of the territory, fostering relationships of mutual understanding and respect.

LILT Verona
In October 2024, AGSM AIM joined the breast cancer awareness campaign promoted by the Italian League for the Fight Against Cancer (LILT). Through an initiative aimed at promoting a culture of prevention, the AGSM AIM Group adorned its social media channels and employees with the pink ribbon, symbolising the fight against breast cancer.

Movember Verona
The AGSM AIM Group supported the association Anymaul in organising awareness, information, and fundraising activities for prostate and testicular cancer prevention and research, developed for the Movember campaign. AGSM AIM supported the cause with a contribution to the association's activities, helping to spread its message within the Group.

Pia Società of Don Nicola Mazza
In September 2024, the AGSM AIM Group formed a partnership with the Pia Società of Don Nicola Mazza to support a scholarship project for young children of immigrants. The initiative aims to ease the school and social integration of boys and girls by offering quality educational opportunities starting from the 2024/2025 academic year.

"Questo non è amore"
The AGSM AIM Group supported the Italian State Police's institutional campaign "Questo non è amore," a project promoting concrete actions and initiatives locally to combat all forms of violence against women. In November 2024, AGSM AIM lit up the Verona Police Headquarters building in orange to raise awareness about gender-based violence. Additionally, to mark the International Day for the Elimination of Violence against Women, on 25 November, the Group supported the State Police initiative that involved the distribution of red gerberas, a flower symbolising the fight against gender-based violence. A simple yet meaningful gesture to reaffirm AGSM AIM's commitment to promoting respect and raising awareness on an issue of vital importance.

AGESCI's 2024 National Route for Scout Community Leaders
The AGSM AIM Group, always attentive to the local area and community, was a sponsor of the 2024 National Route of Community Leaders organised by AGESCI (Association of Italian Catholic Guides and Scouts). The event, held in Verona in August 2024, welcomed over 18,000 scout leaders from across Italy, engaged in a journey of sharing and personal growth. On this occasion, the Group offered its services as a network provider, delivering technological assistance.

Pope Francis' visit to Verona
The AGSM AIM Group, in preparation for and in support of Pope Francis's visit to Verona on 18 May 2024, completed a significant series of infrastructure upgrades. In particular, AGSM AIM, through its companies V-Reti, AGSM AIM Smart Solutions, and AGSM AIM Energia, implemented major improvements to the electrical lines and connectivity services, installed new security cameras, provided thirteen electric charging stations for the Pope's delegation, and supplied electricity for the many activities linked to the event.

Cultural Initiatives

The AGSM AIM Group has been a key partner and supporter of numerous cultural initiatives and associations, including the Fondazione Teatro Comunale Città di Vicenza, Festival Vicenza in Lirica, Festival Biblico, Festival della Bellezza, Mura Festival, Tocatì, Divertiamoci a Teatro 2024/2025, and Be Popular.

Tocatì - International festival of street games
The AGSM AIM Group supported and actively participated in the twenty-second edition of Tocatì – International Festival of Street Games.
The Festival, organised by the Associazione Giochi Antichi (AGA), adopts a sustainable management system certified in accordance with the ISO 20121 international standard "Sustainable event management", which defines the sustainability requirements for the event and all related activities.
AGSM AIM staff welcomed children to their stand, offering sustainability-themed games and activities. More than 500 children, and not only, had fun with "VOLTami", the memory game of AGSM AIM that led them to get to know the Group's production plants, or "Gioca con AGSM AIM" [Play with AGSM AIM], a booklet of crosswords, labyrinths and much more about the world of energy and the environment. These were followed by "I goals di AGSM AIM" [The goals of AGSM AIM], an interactive game to discover the Sustainable Development Goals to which AGSM AIM contributes.

Musical Events

The AGSM AIM Group has supported numerous musical associations and initiatives, including the Verona Piano Festival, Rumors Festival Verona Jazz, Vicenza in Festival, and Incontro sulla Tastiera.

Sporting Events

AGSM AIM, always promoting sport as a metaphor for clean energy, supported several sports groups in the Verona and Vicenza areas throughout 2024, also backing amateur clubs and organisations for people with disabilities. Among the main sponsorships in 2024 are Scaligera Basket, Team BMX Verona, StraVicenza, StraVerona, Rugby Vicenza, and Tennis Palladio.

Scaligera Basket

AGSM AIM and Scaligera Basket have jointly developed numerous social projects. "Become a Giant" involved over 60 classes from Verona and the surrounding area, introducing the ethics of sport and basketball to around 5,000 primary and lower secondary school children. "Every Pair Counts" was a collection of used shoes, later donated to people in need through the Caritas network. "We Want Some Basket" brought together young people with disabilities, asylum seekers, vulnerable individuals, and those in recovery from addiction, offering them a shared space to grow together, overcome differences, and develop new skills.

Team BMX Verona

Following a three-year partnership agreement, AGSM AIM has lent its name to the sports facility of Team BMX Verona, a flagship in the national and international BMX scene. The Group also supports the activities of Team BMX, reaffirming its strong commitment to local communities and sports development.

AGSM AIM Educational

Dorotea and Luigi

"Dorotea and Luigi" is a series of illustrated stories for children through which the Group aims to raise awareness among the youngest about renewable energy topics, telling the adventures of the heroine Dorotea and her cat Luigi. Two fairy tales were created in 2024: "Dorotea and Luigi – The Gift of Flò" and "Dorotea and Luigi – The Gift of Termos". Both were distributed as gifts to over 500 nurseries and kindergartens in Verona, Vicenza, and their provinces, as well as to library networks and the paediatric departments of hospitals in Verona and Vicenza. The decision to target children in nurseries and kindergartens forms part of a clear and forward-thinking strategy aimed at introducing the youngest generations, from an early age, to the fundamental concepts of renewable energy, pollution, resource scarcity, and conservation.

Giornate della Didattica

The AGSM AIM Group took part in the "Teaching Day" event, held on Tuesday, 10 September 2024, which marked its 22nd edition and was organised by the Municipality of Verona. It was an opportunity to provide teachers and families with information and materials about guided tours organised by AGSM AIM to its energy production plants and the educational lessons conducted directly in the classroom.

Guided tours of the plants

Again in 2024, AGSM AIM opened its energy production plants to local schools. During the year, a total of 400 students visited the power plants, including the Rivoli wind farm, the Borgo Trento cogeneration plant, the Chievo dam, and the Tombetta hydroelectric facility. The students were welcomed by AGSM AIM staff who illustrated, following a didactic path, the peculiarities and characteristics of the various systems. A kit of eco-sustainable gadgets was designed for all the visitors and handed out at the end of the visits.

In addition, over 500 primary and secondary school students participated in classroom teaching workshops, aimed at exploring issues such as the recycling of raw materials and energy processes. During the laboratories only waste materials were used to make small useful products.

Awards and Recognitions

Credit Reputation Award 2024

The AGSM AIM Group won the prestigious "CRAward," granted by MF Centrale Risk Spa — a company specialising in credit analysis — to businesses recognised for their punctuality and reliability with banks and financial intermediaries. The award was given based on a specific evaluation model that analysed the periodic reports submitted to the Central Credit Register («CR») of the Bank of Italy. AGSM AIM ranked among the top 20 Big companies (with a turnover exceeding 250 million Euro) present at the event.

Felix Industry Award
The Industria Felix award, presented by the economic and financial magazine "Industria Felix Magazine" as a supplement to "Il Sole 24 Ore," honours the most competitive companies in terms of management and finance. Among these is AGSM AIM Energia, awarded for being one of the top companies in the energy and utility sectors based on managerial performance and financial reliability according to Cerved.

Events

AGSM AIM Energia Convention
At the end of the year, AGSM AIM Energia organised two conventions as opportunities for discussion with its commercial partners and resellers. They were opportunities to explore the future of the energy sector and strengthen relationships with partners, essential for providing comprehensive support to customers.

Sustainability in Utilities: ESG Indicators as a Strategic Opportunity
AGSM AIM hosted the conference organised by Confservizi titled "Sustainability in Utilities: ESG Indicators as a Strategic Opportunity" at its headquarters. Among the speakers was Andrea Andreoli, Head of Risk Management & ESG, who spoke on "AGSM AIM's Path to Sustainability".

The 1,000 Best-Performing Companies in the Province of Verona
In November 2024, AGSM AIM hosted the awards ceremony for the 1,000 best-performing companies in the province of Verona at its headquarters. The event was an important occasion to celebrate the region's business excellence, recognising companies that have stood out in recent years for their growth, profitability, and financial stability, despite the challenges of the economic climate. Among the speakers was also Federico Testa, Chairperson of AGSM AIM.

Annual Workshop of the Agici-Accenture Utilities Observatory
In 2024, AGSM AIM took part in the Annual Workshop of the Agici-Accenture Utilities Observatory on "Utilities in the Era of Generative AI: Optimisation, Competitiveness and Asset Management," as well as in the event "Net Zero Economy by 2050: Mirage or Reality?", which presented Agici's 2024 OIR Report.

We Next
On 16 December 2024, AGSM AIM officially kicked off "We Next," the programme aimed at preparing its 2025–30 business plan. To mark the beginning of this important project, an event was held at Rocca Sveva in Soave (VR), bringing together the Group's managers for a day of discussion on strategic topics such as the energy transition, corporate reputation, business sustainability, and the role of people in driving change.

External Communication

At the start of the year, the Communication and Strategic Marketing Office managed communications regarding the end of the regulated gas and electricity market, preparing and widely distributing specific information to customers through both physical and digital channels. In the special program "AGSM AIM informa" (AGSM AIM informs), in fact, attention was paid to how to manage this transition, with the indication of due dates, offers proposed by AGSM AIM on the free market and vulnerability management.

Throughout the year, communication activities continued to support all initiatives and projects carried out by the Group and its Business Units, including event management, educational programmes, websites and social media, sponsorships, and donations. During the year, three marketing campaigns were launched to introduce three products to the market: Eco Luce, Pura, and Scudo Casa.

During 2024, about 85 press releases of various kinds were produced, which generated more than 100 television services directly or indirectly, and more than 1,800 articles in the local and national press.
Over 900 pieces of content were published on AGSM AIM's official social media channels, reaching a total of more than 1.2 million impressions.

3.3.3 Metrics and targets

[ESRs S3-5 DP 42, a, b, c]

Social issues lie at the heart of AGSM AIM Group's sustainability strategy, which not only commits to respecting the rights of local communities involved but also aims to create a positive impact on people, communities, and the territories in which it operates. This commitment will be further strengthened in upcoming reporting periods through the definition of specific quantitative targets on the subject and thanks to the establishment of the AGSM AIM Foundation starting from the 2025 financial year.

The AGSM AIM Foundation will be established with the aim of supporting development projects for the territories and communities of Verona and Vicenza in social, educational, and cultural fields, with particular focus also on environmental sustainability. The Foundation will operate particularly through three lines of action called: energies for education, energies for the community, and energies for culture.

3.4 Consumers and end users – ESRS S4

[ESRS_2, DR SBM-3, DP 9a, 9b, 10, 11, 12]
[ESRS_2, DR SBM-3, DP 48a]

The following table lists the impacts, risks, and opportunities related to consumers and end users that the AGSM AIM Group has identified and assessed as relevant following its Double Materiality Analysis (DMA) conducted in 2024, as described in paragraph 1.3 Relevant Sustainability Topics.

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage		
					Upstream	Own operations	Downstream
S4	Privacy	Impact related to the loss of sensitive data and information of customers and commercial partners, and the breach of their confidentiality.	Potential negative impact	Short and medium term		✓	✓
S4	Access to (quality) information	The adoption of smart applications, enabling real-time monitoring of consumption, and the implementation of home automation solutions can have a positive impact by educating customers towards more conscious and sustainable consumption, improving energy efficiency, and reducing waste.	Potential positive impact	Short and medium term		✓	✓

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage		
					Upstream	Own operations	Downstream
S4	Access to (quality) information	Opportunity linked to the development and implementation of digital solutions to enhance operational efficiency (for example, through network digitisation) and the customer experience, improving customer satisfaction and loyalty, and promoting the development of new services and offers aligned with evolving consumer needs and behaviours.	Opportunity	Short, Medium and Long Term		✓	

The significant negative impact identified concerns users of AGSM AIM's services, who may be exposed to potential risks related to the confidentiality and protection of personal data. These are isolated, non-systemic events that fall within incident scenarios and are managed through appropriate control measures.

The positive impact, on the other hand, affects the entire customer base and is evident in improved service accessibility as well as support for the sustainable transition. This impact is closely linked to the opportunity to increase operational efficiency and optimise the user experience, also thanks to the growing digitisation of processes.

The projects initiated by the Group, described in the following paragraphs, have enabled these aspects to be managed in a comprehensive manner, benefiting all customer categories.

3.4.1 Strategy

The AGSM AIM Group pays great attention to the needs of its customers, constantly striving to provide high-quality, safe and reliable services, acting with flexibility and willingness to meet customers' expectations and adopting professional, correct and transparent communication practices.

The AGSM AIM Group, through its Business Units, guarantees its customers equal rights, equal treatment and non-discrimination. The Group is highly committed to rendering information about its services simple and readily available. These are the key underlying principles that the Group follows in order to ensure that customer relations are long-lasting, through the adoption of a variety of channels of communication with customers.

The Group has undertaken to comply with general and specific quality standards, and to constantly improve the services provided through technological, organisational and procedural solutions designed to further the effectiveness and efficiency of its operations.

3.4.2 Impacts, risks and opportunities management

[ESRS_S4, DR S4-1, DP 15, 16a, 16b, 16c, 17]
[ESRS_S4, DR S4-4, DP 31 a, 31 b, 31 c, 31 d, 32 a, 32 b, 32 c, 33 a, 33 b, 34, 35, 37]

Protection of Confidentiality

In order to protect the personal data and privacy of all individuals the Group interacts with, and in accordance with the provisions of the General Data Protection Regulation ("EU Regulation 2016/679" or "GDPR"), the AGSM AIM Group has adopted a privacy governance system, which also applies to those who operate directly or indirectly on behalf of the Group, and includes, among other things, the fulfilment of the following obligations:

- the definition of roles and responsibilities within the Group, including the identification of the Data Protection Officer ("DPO") and the persons authorised for the processing (employees of the Group);
- identification and appointment of data processors, i.e. providers that process personal data on behalf of the data controller;
- collection of consent in an explicit and free manner, combined with the use of information provided in a concise, transparent, intelligible and easily accessible form;
- keeping of the records of processing activities pursuant to Article 30 of the GDPR;
- collection and keeping of the list of System Administrators.

Throughout 2024, several targeted training sessions were organised and conducted, primarily aimed at the Compliance function, to deepen understanding of specific topics and ensure effective management of regulatory obligations. The training activities included:

- Specialist training on the application of the GDPR
- Registers of data handling and evaluation of new technological solutions
- Use of software tools for GDPR compliance management
- Assessment and management of potential data breaches (i.e., data losses or unauthorized access)

Finally, specific training was provided on managing security incidents related to personal data, with insights on how to detect, assess and report any data breaches, in compliance with regulatory requirements.

Even during the 2024 fiscal year, the training programme that began in 2022 continued to raise awareness among those working for the Group on the topic of Cyber Security.

During the reporting period, a data breach occurred involving the company AGSM AIM Energia, significant enough to require notification to the Data Protection Authority and the affected individuals.

No GDPR-related penalties were imposed on Group companies during 2024.

During 2024, a total of 43 requests to exercise the rights were received from data subjects pursuant to Articles 15-22 of the GDPR (access to personal data, exercise of the right to be forgotten, etc.).

Protection of Transparency

AGSM AIM's commitment to transparent management of relationships with customers and end consumers is outlined in the Group's Code of Ethics, which sets out the values and principles of fair professionalism for its commercial policies. The Code of Ethics also reiterates that communications with customers must be clear, simple, and expressed in language as close as possible to that of the customers, as well as compliant with current legislation and guidelines from regulatory and supervisory authorities.

AGSM AIM Energia and CogasPiù Energie are the commercial companies of the AGSM AIM Group that carry out the activity of sale and after-sale of electricity, natural gas and heat (district heating service) supplies for different types of customers. In 2024, the commercial companies served a total of **892,604 customers** divided between electricity, natural gas and heat. Residential customers correspond to 61.3% for electricity supply, 88.6% for gas supply, and 66.6% for district heating services. The remaining customer portfolio is unevenly distributed between large accounts, public administration and resellers.

The marketing campaign of the Group companies is aimed at strengthening their identity in their regions of origin (Veneto and Abruzzo) but also at further strengthening their presence in other regions of Italy, through sales agencies and partnerships with trade associations located throughout Italy. The strong presence in the territory that characterises the AGSM AIM Group is also unequivocally reflected in the customer base and its geographic concentration in the Veneto region.

The Group is present in the area with 16 sales desks located as follows: 14 in Veneto, 1 in Abruzzo and 1 in Lazio and 69 sales agencies active throughout the country.

In order to ensure a widespread presence in the area, thanks to the partnership with local businesses, AGSM AIM Energia makes 8 indirect stores (AGSM AIM Shop) available to its customers where it is possible to request advice on bills received or sign up to the commercial offers proposed by the Group.

In the 16 sales desks, customers can find numerous information leaflets concerning the self-reading service, digital services, consumer education campaigns and a host of promotions active in the electricity and natural gas market.

"AGSM AIM al Volante" (AGSM AIM in the driving seat) is a campaign that aims to provide assistance to AGSM AIM customers, and not only, for everything related to the world of electricity and gas thanks to the camper used as a real mobile office. The mobile desk visits in several locations in the province of Verona, covering the most important markets in the area, according to a dense and constantly updated calendar.

During the reporting period, the commercial desks of the AGSM AIM Group served 78,979 customers, representing a 28.9% increase compared to the previous year. The increasing number of cases handled and, consequently, customers served is mainly due to the activation of a new desk at the Verona desk which has enabled the recording of clients visiting the desk for quick services, such as printing and paying bills.

Access to the commercial desks located in Vicenza and Treviso is allowed only by appointment to be made through the website or by calling the toll-free number 800 226 226. This makes it possible to eliminate customer waiting times to manage the file. On the other hand, in the desks located in Verona and the province, an appointment is not required.

The subsidiary CogasPiù Energie has also eliminated waiting times at the desk thanks to adopting a system of customised appointments exclusively for the desk dedicated to bill payments.
In the event of urgent cases or for the elderly or the disabled, "traditional" management is always guaranteed, i.e. the possibility of accessing the desk at any time without an appointment.

The average waiting time for non-appointment desks in FY 2024 was:

05:36 min	Verona desk - Single queue
02:50 min	CogasPiù Energie desk - Payment queue

Through the digital Customer Area and applications, it is possible to access the online service desk where, during the reporting period, 280,387 cases were handled (28% fewer than in 2023), representing 72.6% of all cases managed by the sales companies.

In addition to desks, the AGSM AIM Group companies provide customers with the call centre service for which 477,028 calls were received in 2024 (95% of which were successful) with an average waiting time of 119 seconds.

Furthermore, in 2024, 657 video calls were handled through InFace, the video call assistant service that allows the execution of all contractual transactions, using face-to-face assistance with an operator.
By accessing the Customer Area and the "AGSM AIM Energia" app, updated during the previous financial year, customers can independently manage contract procedures, set up direct debit, request bills by email, and update their contact details.

Through the app dedicated to AGSM AIM Energia customers, it is possible to carry out operations such as monitoring consumption through special graphs and self-reading of the gas meter so as to reduce consumption estimates in bills.
From the Customer Area it is also possible to access the historical archive of one's own bills with summary data, amount, due date and date of issue. The customer can also securely pay their bills using the Nexi, PayPal, and MyBank systems to ensure maximum safety in all transactions. By activating notifications within one's own account, it is also possible to receive due notices.

Finally, a special section dedicated entirely to condominium administrators has been implemented in the new digital channels in order to help them when consulting the contracts they manage.

With reference to the subsidiary CogasPiù Energie, by accessing the Customer Area of the website http://www.cogaspiu.it, customers can independently send multiple requests for contract management by filling out and sending the prepared forms, self-read their consumption, consult the history of their bills and switch from sending paper bills to digital ones.

For the supply of natural gas and electricity, the sales companies of the AGSM AIM Group issued over 4.5 million bills, of which over 2.4 million were issued electronically, accounting for 54.1% of total bills issued by the Group. The service of sending bills in electronic format is called Bollettaelettronic@ and Vi@Mail. Therefore, by activating this service paper bills are eliminated, with the advantage of having them always available in digital format.

In 2024, 12,127 customers activated this service, contributing to an ongoing paper saving equivalent to 78.4 tonnes of paper.

Each bill, including previous bills, is always available to all customers in a convenient digital archive, accessible through the App and the Customer Area of each company.

Via the Customer Area of the websites and the dedicated Apps, the AGSM AIM Group also gives its customers the possibility of paying bills by credit card or activating payment via SEPA (Single Euro Payments Area) direct debit, facilitating the customer, reducing the movement and printing of documentation, with consequent saving of paper and mailing services.

During 2024, 171,110 bills were paid through websites and Apps, up by 2.3% compared to the previous year.

The Group's commercial companies provide diversified energy offers and tariff plans to meet the needs of the various types of customers. The offers provide benefits in terms of savings through discounts, support services, energy bonuses, electronic billing, online desk and billing based on real consumption.

For electricity, the Group's sales companies have long promoted the choice to serve end customers in the free market with electricity produced from renewable energy sources providing the GO (Guarantee of Origin) certification that proves the green source of production.

AGSM AIM Energia, in fact, launched two campaigns in 2024 aimed at domestic customers, both involving offers that provide certified renewable energy supply:

- **PURA LUCE:** A fixed-price offer for one year where, for the first 12 months, the energy is certified as produced from renewable sources through the Guarantees of Origin system, which ensures that an amount of electricity equivalent to that consumed by the customer has been generated by renewable energy plants.
- **ECO LUCE:** An offer dedicated to customers transitioning from the protected market. The price is aligned with the PUN INDEX GME, which is established in the wholesale market, and the energy is certified as produced from renewable sources through the Guarantees of Origin system.

In September 2024, AGSM AIM Energia also announced the launch of an innovative new offer dedicated to Power Purchase Agreements (PPAs), a solution that simplifies the purchase of renewable energy for companies with significant consumption (at least 1,000,000 kWh) and allows them to better plan their energy expenditure. A PPA is a long-term contract between a renewable energy supplier and a buyer, whereby the latter commits to purchasing electricity generated from renewable sources. This tool guarantees the market while simultaneously contributing to the reduction of carbon dioxide emissions and the achievement of sustainability goals. The solution allows direct access to renewable energy production through the signing of a PPA contract in a faster and more efficient manner.

AGSM AIM Energia, in any case, offers business customers the option to pair renewable energy with every commercial offer, thereby contributing to environmental protection.
The number of contracts signed in 2024 that include the sale of renewable electricity is 41,639, which corresponds to approximately 16.8% of the total contracts executed.

Also in 2024, AGSM AIM includes gas offers in its product catalogue that focus on sustainability and environmental commitment. Carbon offsetting is a mechanism that allows organisations and individuals to voluntarily offset their CO_2 emissions by supporting emission reduction projects aimed at absorbing or avoiding CO_2. This mechanism is based on the purchase of carbon credits on the reference market.

In 2024, AGSM AIM Energia launched the PURA GAS offer: the gas price is fixed for one year, and for the first 12 months, the CO_2 emissions from the gas supplied to the customer are offset. This offsetting takes place by purchasing certified carbon credits on behalf of the customer, generated by projects that offset the CO_2 emitted, in different ways depending on the project. The projects backed by the company are available at https://www.agsmaimenergia.it/it/chi-siamo/impegno-ambientale.

For natural gas, the number of contracts including CO_2 compensation signed in 2024 was 2,137.

For electricity, households have the following offers available: “MERCATO CASA,” where the energy price is aligned with the SNP (Single National Price) formed in the wholesale market; “MERCATO CASA GREEN,” which includes, within the price, the supply of electricity certified as produced from renewable sources; “PURA LUCE,” a fixed-price offer for one year where, for the first 12 months, the energy is certified as renewable; “SCUDO CASA,” an offer combining transparent energy tariffs with a package of services dedicated to home maintenance; and “ECO LUCE,” designed for customers coming from the protected market (detailed below).

For the sale of natural gas, the following offers are available: “PURA GAS,” with the gas price fixed for one year and including CO_2 compensation for emissions during the first 12 months; “MERCATO CASA GAS,” where the gas price is linked to the wholesale market; and “MERCATO CASA GAS COMPENSA CO_2”, which includes, within the price, CO_2 compensation through the purchase of carbon credits.

For customers with a VAT number, the following offers are active: “MERCATO IMPRESA” and “SMALL/MEDIUM/LARGE BUSINESS” which envisage the application of an energy component indexed to the average PUN set on the National Electricity Exchange Market. For gas, the “PREMIUM BUSINESS GAS” offer is active, with a gas component indexed to the PSV price.

Effective from 1 July 2024, all non-vulnerable customers who had an electricity supply under the protected tariff regime and had not timely chosen a supplier on the free market were automatically transferred, without any interruption of supply, to the Gradual Protection Service (GPS) with the reference operator identified during the auction phase. The contractual and financial terms of the Gradual Protection Service are defined by ARERA, also based on the outcomes of the competitive procedures.

AGSM AIM sent the information required by law to its customers supplied under the protected market.

Additionally, it arranged the “ECO LUCE” product specifically for all non-vulnerable residential clients.

The electricity protection service remains active for vulnerable customers, specifically those with the following characteristics:

- who are in economically disadvantaged conditions or suffering from serious health issues according to Article 1, paragraph 75, of Law 124/17;
- they must fall within the category of persons with disabilities pursuant to Article 3 of Italian Law no. 104 of 5 February 1992;
- their utilities are located on small, non-interconnected islands;
- their utilities must be located in emergency housing facilities following a disaster;
- they must be over 75 years of age.

[ESRS_S4, DR S4-3, DP 25a, 25b, 25c, 25d, 26]
[ESRS_S4, DR S4-2, DP 20, 21]

With the aim of monitoring the effectiveness of the aforementioned safeguards and improving service quality, the Group provides a Customer Relations Department that handles requests attentively and promptly, including those classified as complaints, in accordance with ARERA.

The objective of the continuous monitoring of complaints by the AGSM AIM Group is to identify critical issues, defining and implementing appropriate corrective actions, with a view to continuous improvement.

In particular, through a specific system, the Customer Relations department manages written requests from customers that are received through various channels, and automatically sends information on the response methods and timing.

Currently, AGSM AIM does not check whether customers are aware of the existence of these channels. However, it ensures their accessibility through appropriate communications and by making all necessary information readily available for their use and for submitting reports. Specifically, a form for submitting complaints or other written reports is available and can be easily found at the desks or on the websites. Alternatively, customers may directly submit the request from the relevant sections of the websites.

The reports received through the various channels of the AGSM AIM Group, relating to the energy services offered, amounted to 9,828 and are broken down as follows:

- 46.4% were requests for information;
- 49.4% were complaints;
- 4.2% were billing adjustment requests.

PROTECTION OF TRANSPARENCY

AGSM AIM always operates in the best interests of its customers: through the "Social Bonus", it promotes saving on electricity and gas expenditure for families in economic hardship and for large families. In particular, through targeted communication and assistance, AGSM AIM supports customers so they can benefit, in the easiest possible way, from the Gas Bonus and the Electricity Bonus: discounts on the bill, introduced by the Government and implemented by the Italian Regulatory Authority for Electricity, Gas and Water (ARERA) with the cooperation of the Municipalities, to guarantee a saving for those families who find themselves in specific difficult circumstances. 122,174 Contracts are eligible for the Electricity and Natural Gas Bonus.

The AGSM AIM Group is careful to evaluate and accommodate requests for extended payment terms for bills where possible, also in those cases not provided for by the Authority.

For the municipalities of Vicenza and Verona, there is also an active partnership with Caritas Diocesana, through the creation of a dedicated fund managed by **Diakonia Onlus and the San Zeno Charity Association Onlus**, which serve as the operational arms of Caritas, to support families facing temporary financial hardship. The objective of the collaboration is to guarantee intervention to support individuals and households in difficulty in paying their electricity and gas bills, in a context of increasing adversity. In 2024, the AGSM AIM Group disbursed Euro 45,167.87 for local families in social and economic hardship via this fund.

In favour of residents in the Municipality of Vicenza, the Group also provided special repayment plans for families in social and economic hardship: an annual agreement is signed with this municipality to help the payment in instalments of electricity and gas bills.

In order to support families in difficulty due to the increase in energy prices, during 2023 AGSM AIM presented offers on the free market called **"Luce Bonus Sostegno", "Gas Bonus Sostegno"**, **"Bonus Sostegno District Heating"** targeting domestic customers with an Equivalent Economic Situation Indicator (ISEE) between Euro 15,000 and Euro 18,000, with less than 4 dependent children and who do not receive a citizenship income or pension. The initiative, which involved about 11,000 users in the provinces of Verona and Vicenza alone, was specifically designed to offer tangible support to those customers who are not entitled to the social bonus but who are facing the sudden surge in the cost of living of which electricity and gas represent two particularly relevant items.

As far as electricity is concerned, the **"Luce Bonus Sostegno"** offer provided for the application of a discount of 3.5 Euro cents on the wholesale energy price corresponding to the PUN - Single National Price - which is the reference price of the Electricity Exchange and indicatively represents the cost price for sales companies. All other tariff components are those established by the Authority for Electricity (ARERA). With regard to **"Gas Bonus Sostegno"**, a discount of 3.5 Euro cents per cubic meter was applied to the PSV (Virtual Trading Point) DA, the price currently adopted by ARERA for gas contracts with greater protection. For customers served by district heating, the bonus allocated is Euro 300.

3.4.3 Metrics and targets

[ESRS_S4, DR S4-5, DP 41a, 41b, 41c]

The Group's initiatives are driven by a constant focus on service quality and customer centrality, with a view to continuous improvement. Although no specific quantitative targets have been set for these aspects to date, the issue is being monitored and the possibility of introducing measurable targets to support the commitments made will be carefully evaluated in future reporting periods.

4. Governance information

4.1 Business conduct – ESRS G1

[ESRS_2, DR IRO-1]
[ESRS_2, DR SBM-3 DP 48a]

The following table lists the impacts, risks, and opportunities related to business conduct that the AGSM AIM Group identified and assessed as materially relevant through its 2024 Double Materiality Analysis (DMA), as described in Section 1.3: Material Sustainability Topics.

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage		
					Upstream	Own operations	Downstream
G1	Corporate culture	Negative impact on the community due to non-compliance with regulations and ethical standards, compromising business integrity, fair competition, and more.	Potential negative impact	Short, Medium and Long Term	✓	✓	✓
G1	Management of relationships with suppliers including payment practices	Increased negative impacts on the environment, people, and the socio-economic system due to the failure to promote and adopt responsible and sustainable practices within the AGSM AIM Group's supply chain.	Potential negative impact	Short and medium term	✓	✓	
G1	Management of relationships with suppliers including payment practices	Complex management of payment practices within the supply and subcontracting network, with potential delays in payments and/or the use of unlawful methods to speed up processes.	Potential negative impact	Short and medium term	✓	✓	
G1	Prevention and detection including training	Impacts on the wider community resulting from misconduct such as corruption, fraud, extortion, collusion, and money laundering.	Potential negative impact	Short and medium term	✓	✓	✓
G1	Incidents	In conducting its operational and business activities, individuals acting directly or indirectly on behalf of the Group may engage in behaviours that could potentially constitute criminal offences and/or improper conduct, with possible negative impacts on people, the environment, and the socio-economic system in which the organisation operates.	Potential negative impact	Short, Medium and Long Term	✓	✓	✓

ESRS	Sustainability topic	Description	IRO	Time horizons	Value Chain Stage: Upstream	Value Chain Stage: Own operations	Value Chain Stage: Downstream
G1	Management of relationships with suppliers including payment practices	Legal non-compliance by one or more suppliers due to insufficient or incomplete monitoring of the required supplier criteria, including in response to regulatory changes and/or shifts in supply parameters. This may lead to disputes with significant financial impact and operational costs associated with securing new supplies to avoid business interruption.	Risk	Short, Medium and Long Term	✓	✓	
G1	Management of relationships with suppliers including payment practices	Non-compliance with purchasing procedures due to delayed or missed awarding/payment (e.g. procurement tenders), resulting in significant financial impact from moderately complex disputes and/or delays in the execution of works or acquisition of goods and services.	Risk	Short, Medium and Long Term		✓	
G1	Protection of whistle-blowers	Risk of sanctions related to the failure or inadequate protection of whistleblowers.	Risk	Short, Medium and Long Term	✓	✓	✓
G1	Prevention and detection including training	The absence of effective anti-corruption policies, inadequate employee training on ethical behaviour, and insufficient internal control systems can lead to undetected corrupt practices. The effects may include potential legal sanctions, reputational damage, and significant financial losses.	Risk	Short, Medium and Long Term	✓	✓	
G1	Incidents	Instances of both internal and external corruption and fraud could lead to negative reputational consequences (loss of trust from stakeholders) and significant financial damage (due to fines and penalties).	Risk	Short, Medium and Long Term	✓	✓	
G1	Management of relationships with suppliers including payment practices	Growing military conflicts and market volatility constitute a substantial risk to worldwide economic stability. These events can cause volatility in financial and commodity markets, negatively impact supply chains, and increase economic uncertainty.	Risk	Short, Medium and Long Term	✓	✓	
G1	Corporate culture	Ineffective cybersecurity protection systems for plant infrastructure that could lead to loss of control of facilities following a cyberattack or ransomware demand. This could result in financial losses due to potential production downtime and operational costs incurred to manage the attack and upgrade the protection system.	Risk	Short, Medium and Long Term	✓	✓	✓

Results of the financial materiality assessment

4.1.1 Governance

[ESRS_2, DR GOV-1, DP 5a, 5b]

The corporate bodies of the AGSM AIM Group play a central role in defining strategic direction and promoting corporate conduct based on the principles of transparency, fairness, and responsibility. The Group's administrative and control bodies, each within their respective responsibilities, ensure careful oversight of legality, ethics, and consistency in corporate conduct, in accordance with the principles of good governance.

The boards of directors/single directors of the Group's companies exercise broad management and strategic guidance powers, drawing on technical and managerial expertise suited to the complexity of the operating environment, while the control bodies oversee compliance with the law and the effectiveness of the organisational, administrative, and accounting structures.

The multidisciplinary expertise of the administrative and control bodies helps strengthen the Group's ability to operate responsibly and in compliance with current regulations.

For further details regarding the Group's corporate governance, please refer to section "1.4 Sustainability Governance" of this document.

4.1.2 Impacts, risks and opportunities management

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

[ESRS_G1, DR G1-1, DP 7, 9]

Italian Legislative Decree no. 231 of 8 June 2001 (hereinafter also referred to as "Decree 231"), with its subsequent amendments and extensions of applicability, introduced into the Italian legal system a special form of liability, qualified as "administrative liability for offences", for companies, associations and entities in general, following the commission, in their interest or to their advantage, by a person holding an executive or subordinate position within them, of a criminal offence.

In order to comply with the provisions of Decree 231 and to facilitate compliance with the principles of fairness and ethics in carrying out their businesses, the Parent Company AGSM AIM S.p.A. and the following subsidiaries defined and adopted their Organisation, Management and Control Model (hereinafter also "Model 231").

Pursuant to Decree 231, when adopted by an organisation Model 231 constitutes a criminal defence against any offences committed or attempted by persons in a senior position and/or by employees (subject to management or supervision by senior positions), from which an interest or advantage for the organisation may derive.

For Model 231 to be considered suitable in pursuing the company's exemption from liability, it is constantly updated not only in the event of new regulations, but also due to corporate, organisational and operational developments.

During the 2024 financial year, the update projects for the 231 Models of the subsidiaries AGSM AIM Energia S.p.A., AGSM AIM Smart Solutions S.p.A., and V-Reti S.p.A. continued, involving a review of the risk assessment section and the special parts, while simultaneously conducting an inventory of existing controls aimed at preventing the predicate offences outlined in Decree 231. During the reporting period, the subsidiary AGSM AIM Power adopted the Model 231 covering the general section and disciplinary code, while the risk assessment and special sections are in the process of being developed. Finally, the Model 231 for AGSM AIM Calore is currently being prepared.

Adopting Model 231 by each Group company has also improved the effectiveness and transparency of the Group's operations and thus contributed to preventing lack of transparent information and possible improper conduct by senior positions and employees.

Pursuant to Decree 231, the Parent Company AGSM AIM S.p.A. and the aforementioned companies have appointed their Supervisory Body (hereinafter also "SB") with the task of supervising the effectiveness and proper implementation of the adopted Model 231, through the continuous monitoring of corporate conduct, as well as continuous updating of the functioning of the Model 231, with subsequent periodic updates based on the needs arising from legislative measures or the evolution of the company and corporate organisation.

In compliance with the provisions of Decree 231, an e-mail address was set up for each Supervisory Body to submit any requests for clarification on the interpretation of the indications contained in the Model 231 or reports of suspected violations thereof.

In order to facilitate the effective implementation of the adopted Models 231, the heads of corporate functions were made aware of the methods of periodic transmission of information flows to the SB.

Training on the administrative liability of entities under Legislative Decree 231/2001 is an essential tool for the effective implementation of the Organisation, Management and Control Model adopted by the companies of the AGSM AIM Group.

In this regard, during the previous financial year, the AGSM AIM Group initiated a targeted training programme for Group personnel, which will conclude during the 2025 financial year.

Anti-Corruption Policy

[ESRS_G1, DR G1-1, DP 10b, 10e, 10g, 10h]
[ESRS_G1, DR G1-3, DP 18a, 18c, 21a, 21b, 21c]

Well aware that the fight against corruption is a fundamental value in the pursuit of its business activity, the Parent Company AGSM AIM S.p.A. defined and adopted a Group Anti-Corruption Policy on a voluntary basis that, in coordination with Model 231 and the Group's Code of Ethics, provides a systematic reference framework to combat corruption and aims to disseminate within the Company, as well as to all those who work in favour of or on behalf of the Group member companies, the principles and rules to be followed to exclude any type of direct and indirect, active and passive corruption, including in the form of instigation.

In order to ensure the implementation of its management system to prevent corruption, the AGSM AIM Group carries out a periodic assessment to determine the risks related to corruption. The results of the risk assessment are shown in the annex to the Anti-Corruption Policy.

Pursuant to the Management and Coordination Guidelines, the Anti-Corruption Policy is progressively adopted by all the AGSM AIM Group's subsidiaries that fall within the scope of the consolidated financial statements through their own internal measures.

This Policy is binding for the employees of the companies belonging to the AGSM AIM Group and for third parties. In this regard, the companies shall ensure that it also becomes binding for all those who operate in any capacity in favour of them or on their behalf.

The heads of the various corporate functions also have the task of supervising compliance with the Policy by their employees and adopting measures to prevent, identify and report potential violations.

The company functions most at risk of active and passive corruption, identified during the risk assessment activity, are primarily those that engage with authorities and/or public supervisory and regulatory bodies. Additional at-risk areas include, by way of example and not exhaustively, those related to contracts for works and services, as well as the provision of sponsorships and donations.

In order to promote adequate understanding of the adopted anti-corruption policy, the Group requires all employees to undertake a mandatory anti-corruption training programme, with varying levels of depth determined according to the recipients' roles and their differing degrees of involvement in sensitive activities.

The AGSM AIM Group personnel are trained and informed at the time of hiring and through refresher courses to understand the responsibilities and risks they may face in performing their duties. New hires are provided with a copy of the Anti-Corruption Policy, as well as the Organisational Model pursuant to Legislative Decree 231/2001 and the Group's Code of Ethics. The training covers all corporate functions identified as being at risk of corruption.

The recipients of the Anti-Corruption Policy are also required to report, even anonymously, any violation, even alleged, of the current legislation on preventing corruption or this Anti-Corruption Policy by Group employees, collaborators or third parties operating in favour of or on behalf of Group Companies.
In order to facilitate the receipt of requests for clarification, AGSM AIM has set up the following communication channels:

- ➔ **ORDINARY POST:**
  to the attention of the Funzione Compliance (Compliance function) – Lungadige Galtarossa 8, 37133 Verona (VR)

- ➔ **E-MAIL:**
  e-mail address compliance@agsmaim.it.

Finally, it should be noted that from the second half of 2024, the Parent Company has begun the process of obtaining certification for corruption prevention in accordance with the ISO 37001:2016 standard. The completion of activities, which will involve a review of documentation and certain processes, and the subsequent issuance of the certification, is expected during 2025.

Whistleblowing

[ESRS_G1, DR G1-1, DP 10a, 10c,]

In order to implement European Directive 2019/1937 and related implementing Italian Legislative Decree (the so-called Whistleblowing Decree), the Board of Directors of the Parent Company approved the Whistleblowing Policy containing the management system for receiving and managing the Company's reports.
The Policy aims to regulate the methods of making and managing reports of violations of national or European regulatory provisions that harm the public interest or the integrity of the company, as well as the measures to protect the people who make the reports. A specific internal channel has been set up to report illegal conduct and/or violations, the management of which has been assigned to a third party. Reports can be made in writing, through the specific channel available on the Company's institutional website on the whistleblowing page, or verbally by meeting directly with the channel manager.

This Policy is addressed to all subjects who operate in the company's working context as members of the corporate or control bodies (including persons with the function of Management, administration and control), employees and - as a result of specific clauses – also in favour of third parties who have negotiating relations with the company itself.

In implementation of the Whistleblowing Decree, an internal channel (computerised platform) has also been activated to report illegal conduct and/or violations addressed to the Supervisory Body.

The AGSM AIM Group has entrusted the management of the channel for reports to a third party (hereinafter also "Manager") who is responsible for diligently following up on the report received, first verifying its contents, assessing the existence of the reported facts, the outcome of the investigations and any measures taken.

The channel established for the aforementioned violations and/or unlawful conduct also complies with Article 6 paragraph 2 *bis* of Italian Legislative Decree 231/01.

In compliance with the indications of the Parent Company, the subsidiaries have activated their own specific internal channel to report illegal conduct and/or violations, adopting their own Policy in line with that of the Parent Company.

During 2024, no reports were received with regard to potential offences, crimes or irregular conduct, committed in violation of the Group's Code of Ethics, the Anti-Corruption Policy and Models 231 adopted by Group companies.

4.1.3 Metrics and targets

[ESRS_G1, DR G1-2, DP 15a, 15b]
[ESRS_G1, DR G1-6, DP 33a, 33b, 33c, 33d]
[ESRS_G1, DR G1-4, DP 24a, 24b, 25a, 25b, 25c, 25d]

The AGSM AIM Group manages supplier payments in accordance with uniform criteria and standardised procedures, regardless of contract type, supplier size, or geographical location. The Group sets a payment term of sixty days from receipt of the purchase order, subject to exceptions agreed with individual counterparties.

The contractual terms generally applied to suppliers of goods, services, and works (excluding energy and gas commodities) provide for payment within 60 days of the invoice date. For the current reporting period, the Group estimated an average payment time of 60 days, in line with the contractual terms agreed with counterparties and with no pending legal proceedings in Italy against AGSM AIM Group companies regarding delays in payments to suppliers. The average payment times recorded during the 2024 financial year are consistent with the contractual terms agreed and signed with counterparties. The Group is consistently committed to meeting payment deadlines, particularly in support of small and medium-sized suppliers. It monitors any delays resulting from specific contingent situations (e.g. disputes or procedural anomalies) and works continuously to reduce the average number of payment days by anticipating due dates whenever possible.

During the reporting period, there were no legal proceedings pending in Italy against AGSM AIM Group companies concerning delayed payments to their suppliers.

It is also noted that during the 2024 financial year, the Group recorded no confirmed cases of corruption. For this reason, no actions were taken in response to violations of procedures or rules relating to the prevention of active and passive corruption.

Likewise, in 2024, the Group reported no verified cases of active or passive corruption and no contract terminations or non-renewals with business partners due to breaches linked to such corruption.

Authorities and institutions

[ESRS_G1, DR G1-5, DP 29b, 29c]

The Institutions represent for the AGSM AIM Group a privileged partner with whom to collaborate in the implementation of initiatives designed to generate positive effects on the social and economic fabric of the territory and on the citizens' quality of life, including by virtue of the essential nature of the services provided by the Group and their impact on the communities.

Relations with institutional parties, maintained in accordance with current legislation and the principles of the Code of Ethics, play a fundamental role both socially, with reference to relations with local institutions, sector authorities, trade associations, etc., and economically for the payment of taxes and duties.

AGSM AIM regularly pays the contributions and registration fees due to public and private entities, such as Chambers of Commerce, independent administrative authorities, sector associations and representative bodies.

The AGSM AIM Group also maintains relations with some trade associations by participating and actively collaborating in benchmarking against other companies and to promote regulatory and technological updates, including:

- **Utilitalia**, a federation of companies operating in the water, environment, electricity and gas public services.

- **AIRU** (Associazione Italiana Riscaldamento Urbano), which aims to promote and disseminate the application and innovation of district heating and cooling systems.

- **Confservizi Veneto**, an association that coordinates and promotes the development of local service management companies and encourages the exchange of knowledge and experience, carries out studies, drafts regional law proposals, administrative measures, economic and statistical data and cooperates with other regional associations.

- **ANEV** (Associazione Nazionale Energia del Vento) whose aims include contributing to the promotion and use of wind energy in a balanced relationship between settlements and nature, as well as encouraging research and technological development aimed at using wind resources and the rational use of energy, and the dissemination of correct information based on real data.

The AGSM AIM Group is attentive to compliance with rules and regulations and has no significant litigation proceedings against the Public Administration. AGSM AIM receives contributions from the Public Administration, mainly from CSEA (Cassa Servizi Energetici Ambientali).

Moreover, the AGSM AIM Group does not contribute in any way to the financing of political parties or political and trade union movements, committees and organisations, as well as their representatives and candidates, except for the cases provided for by specific regulations, as set out in the Group's Code of Ethics.

Appendix 1 – European Taxonomy

Models for key performance indicators (KPIs)

Key for interpreting the models of key performance indicators (KPIs)

Activity code: contains the number corresponding to the eco-sustainable activity and the abbreviation of the objective to which the economic activity can make a substantial contribution.

CCM	Climate change mitigation
CCA	Climate change adaptation
WTR	Water and marine resources
CE	Circular economy
PPC	Pollution prevention and control
BIO	Biodiversity and ecosystems

Criteria for substantial contribution

Y	The activity is taxonomy-eligible and aligned with the taxonomy concerning the relevant environmental objective
N	The activity is taxonomy-eligible but not aligned with the taxonomy concerning the relevant environmental objective
EL	The activity is taxonomy-eligible for the relevant objective
N/EL	The activity is taxonomy-non-eligible for the relevant objective

DNSH Criteria (“Do No Significant Harm”).

Y	DNSH criteria are met for the activity in question
N	DNSH criteria are not met for the activity in question

Minimum safeguard criteria

Y	The minimum safeguard criteria are met for the activity in question
N	The minimum safeguard criteria are not met for the activity in question

Activity Category

E	Enabling activities directly allow other activities to make a substantial contribution to an environmental objective.
T	Transition activities are those for which no low-carbon alternatives currently exist and which have greenhouse gas emissions levels corresponding to the best performance in the sector or industry, as well as meeting the following two conditions: i. do not hinder the development and deployment of low-carbon alternatives; and ii. do not lead to a lock-in of carbon-intensive assets, considering the economic lifetime of those assets.

Share of turnover deriving from products or services associated with economic activities aligned with the taxonomy

Economic activities	Activity code	Revenue	Revenue share	Criteria for substantial contribution: Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems
		Thousands of Euro	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL
Electricity generation using solar photovoltaic technology	4_1 CCM	7,571.0	1.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from wind power	4_3 CCM	3,113.0	0.4%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from hydropower	4_5 CCM	2,601.3	0.3%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	4_9 CCM	61,050.4	8.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Collection and transport of non-hazardous waste in source segregated fractions	5_5 CCM	72,102.8	9.4%	Y	N	N/EL	N/EL	N/EL	N/EL
Material recovery from non-hazardous waste	5_9 CCM	47,597.9	6.2%	Y	N	N/EL	N/EL	N/EL	N/EL
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	442.4	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7_4 CCM	-	-	-	-	-	-	-	-
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)		**194,478.9**	**25.3%**	**25.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Of which enabling		**61,492.8**	**8.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Of which transitional		**-**	**0.0%**	**0.0%**					
Water supply	2_1_WTR	3,230.2	0.4%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Urban wastewater treatment	2_2_WTR	2,016.6	0.3%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Electricity generation from hydropower	4_5 CCM	-	-	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	4_9 CCM	-	-	EL	N/EL	N/EL	N/EL	N/EL	N/EL
District heating/cooling distribution	4_15 CCM	526.2	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	4_29 CCM	1,859.4	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	4_30 CCM	1,961.3	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	7_3 CCM	3.8	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	8_1 CCM	3,195.8	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover from taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)		**12,793.3**	**1.7%**	**1.0%**	**0.0%**	**0.7%**	**0.0%**	**0.0%**	**0.0%**
Turnover from taxonomy-eligible activities (A.1 + A.2)		**207,272.2**	**27.0%**	**26.4%**	**0.0%**	**0.7%**	**0.0%**	**0.0%**	**0.0%**
B. Taxonomy-non-eligible activities									
Turnover from non-taxonomy-eligible activities (B)		**559,453.7**	**73.0%**						
Total (A + B)		**766,725.8**	**100.0%**						

DNSH criteria ("Do No Significant Harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Revenue share aligned (A.1.) or eligible (A.2.) to taxonomy, FY 2023	Category enabling activities	Category transitional activities
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	1.6%	-	-
Y	Y	Y	Y	Y	Y	Y	0.5%	-	-
Y	Y	Y	Y	Y	Y	Y	-	-	-
Y	Y	Y	Y	Y	Y	Y	-	E	-
Y	Y	Y	Y	Y	Y	Y	15.1%	-	-
Y	Y	Y	Y	Y	Y	Y	3.2%	-	-
Y	Y	Y	Y	Y	Y	Y	-	E	-
-	-	-	-	-	-	-	0.02%	-	-
							20.5%		
							0.5%		
							0.4%		
							0.7%		
							7.0%		
							0.1%		
							2.2%		
							0.4%		
							0.0%		
							0.4%		
							11.6%		
							32.0%		
							68.0%		
							100.0%		

Share of operating expenditure (OPEX) deriving from products or services associated with economic activities aligned with the Taxonomy

				Criteria for substantial contribution					
Economic activities	**Activity code**	**Operating costs**	**Share of operating costs**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**
		Thousands of Euro	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL
Electricity generation using solar photovoltaic technology	4_1 CCM	885.8	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from wind power	4_3 CCM	2,888.6	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from hydropower	4_5 CCM	2,933.3	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	4_9 CCM	33,141.0	5.3%	Y	N	N/EL	N/EL	N/EL	N/EL
Collection and transport of non-hazardous waste in source segregated fractions	5_5 CCM	28,218.3	4.5%	Y	N	N/EL	N/EL	N/EL	N/EL
Anaerobic digestion of bio-waste	5_7 CCM	0.8	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Material recovery from non-hazardous waste	5_9 CCM	17,809.9	2.8%	Y	N	N/EL	N/EL	N/EL	N/EL
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	157.7	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7_4 CCM	0.6	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Operating costs of eco-sustainable activities (aligned with taxonomy) (A.1)		**86,036.0**	**13.7%**	**13.7**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Of which enabling		**33,299.3**	**5.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Of which transitional		**-**	**0.0%**	**0.0%**					
Water supply	2_1_WTR	2.5	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Urban wastewater treatment	2_2_WTR	-	-	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Electricity generation from hydropower	4_5 CCM	1,431.5	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	4_9 CCM	-	-	EL	N/EL	N/EL	N/EL	N/EL	N/EL
District heating/district cooling distribution	4_15 CCM	925.4	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	4_29 CCM	1,016.2	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	4_30 CCM	916.1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	8_1 CCM	838.8	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Operating costs of taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)		**5,130.5**	**0.8%**	**0.8%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Operating costs of taxonomy-eligible activities (A.1 + A.2)		**91,166.6**	**14.5%**	**14.5%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
B. Taxonomy-non-eligible activities									
Operating costs of non-taxonomy-eligible activities (B)		**536,247.6**	**85.5%**						
Total (A + B)		**627,414.1**	**100.0%**						

DNSH criteria
("Do No Significant Harm"):

Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Share of operating costs aligned (A.1.) or eligible (A.2.) to taxonomy, FY 2023	Category enabling activities	Category transitional activities
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	0.2%	-	-
Y	Y	Y	Y	Y	Y	Y	0.7%	-	-
Y	Y	Y	Y	Y	Y	Y	-	-	-
Y	Y	Y	Y	Y	Y	Y	-	E	-
Y	Y	Y	Y	Y	Y	Y	8.3%	-	-
Y	Y	Y	Y	Y	Y	Y	-	-	-
Y	Y	Y	Y	Y	Y	Y	0.2%	-	-
Y	Y	Y	Y	Y	Y	Y	-	E	-
Y	Y	Y	Y	Y	Y	Y	0.0%	E	-
							9.5%		
							-		
							-		
							1.7%		
							6.7%		
							0.2%		
							0.4%		
							0.4%		
							0.2%		
							9.8%		
							19.3%		
							80.7%		
							100.0%		

Share of capital expenditure (Capex) deriving from products or services associated with economic activities aligned with the Taxonomy

Economic activities	Activity code	Capital expenditures	Share of capital expenditure	Criteria for substantial contribution: Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems
		Thousands of Euro	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL
Electricity generation using solar photovoltaic technology	4_1 CCM	9,841.6	7.3%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from wind power	4_3 CCM	5,103.9	3.6%	Y	N	N/EL	N/EL	N/EL	N/EL
Electricity generation from hydropower	4_5 CCM	203.3	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	4_9 CCM	44,887.2	31.6%	Y	N	N/EL	N/EL	N/EL	N/EL
Collection and transport of non-hazardous waste in source segregated fractions	5_5 CCM	14,026.4	9.9%	Y	N	N/EL	N/EL	N/EL	N/EL
Anaerobic digestion of bio-waste	5_7 CCM	-	-	Y	N	N/EL	N/EL	N/EL	N/EL
Material recovery from non-hazardous waste	5_9 CCM	6,454.2	4.5%	Y	N	N/EL	N/EL	N/EL	N/EL
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	860.1	0.6%	Y	N	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7_4 CCM	-	-	Y	N	N/EL	N/EL	N/EL	N/EL
Operating costs of eco-sustainable activities (aligned with taxonomy) (A.1)		**81,376.7**	**59.9%**	**59.9**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Of which enabling		**45,747.2**	**33.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Of which transitional		**-**	**0.0%**	**0.0%**					
Manufacture of hydrogen	3_10 CCM	1,117.3	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from hydropower	4_5 CCM	573.8	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	4_9 CCM	-	-	EL	N/EL	N/EL	N/EL	N/EL	N/EL
District heating/district cooling distribution	4_15 CCM	1,637.7	1.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	4_29 CCM	639.1	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	4_30 CCM	9,657.4	6.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	7_3 CCM	273.6	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	8_1 CCM	1,409.6	1.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Operating costs of taxonomy-eligible but not environmentally sustainable activities (non-aligned activities) (A.2)		**15,308.5**	**11.3%**	**11.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Operating costs of taxonomy-eligible activities (A.1 + A.2)		**96,685.2**	**71.2%**	**71.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
B. Taxonomy-non-eligible activities									
Operating costs of non-taxonomy-eligible activities (B)		**39,044.2**	**28.8%**						
Total (A + B)		**135,729.4**	**100.0%**						

DNSH criteria ("Do No Significant Harm"):

Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Share of operating costs aligned (A.1.) or eligible (A.2.) to taxonomy, FY 2023	Category enabling activities	Category transitional activities
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	1.8%	-	-
Y	Y	Y	Y	Y	Y	Y	0.9%	-	-
Y	Y	Y	Y	Y	Y	Y	-	-	-
Y	Y	Y	Y	Y	Y	Y	-	E	-
Y	Y	Y	Y	Y	Y	Y	3.7%	-	-
Y	Y	Y	Y	Y	Y	Y	-	-	-
Y	Y	Y	Y	Y	Y	Y	12.4%	-	-
Y	Y	Y	Y	Y	Y	Y	-	E	-
Y	Y	Y	Y	Y	Y	Y	1.1%	E	-
							19.9%		
							-		
							0.7%		
							36.5%		
							1.1%		
							0.3%		
							4.2%		
							0.1%		
							1.3%		
							44.2%		
							64.1%		
							35.9%		
							100.0%		

Learn more about electricity production from nuclear and gas activities

Nuclear energy-related activities

	NUCLEAR ENERGY RELATED ACTIVITIES	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**NO**
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**NO**
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**NO**

Fossil gas related activities

	FOSSIL GAS RELATED ACTIVITIES	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**YES**
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**YES**
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**YES**

The Power and Heat Business Units are directly involved in the management, redevelopment and energy efficiency of plants for the production of electricity from gaseous fossil fuels, also in cogeneration, and heat for district heating in the cities of Verona and Vicenza.

Economic activities related to nuclear and fossil gas that are eligible but not aligned with the taxonomy

	Economic activities	Amount and share					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€/000)	%	Amount (€/000)	%	Amount (€/000)	%
Revenue							
(...)							
4	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.29 of appendices I and II of delegated regulation (EU) 2021/2139 to the revenue denominator	1,859	14.5%	1,859	14.5%	-	-X
5	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.30 of appendices I and II of delegated regulation (EU) 2021/2139 to the revenue denominator	1,961	15.3%	1,961	15.3%	-	-X
(...)							
8	Amount and share of other eligible economic activities but not aligned with the taxonomy not included in lines 1 to 6 to the revenue denominator	8,973	70.1%	8,973	70.1%	-	-
9	Total amount and share of eligible economic activities but not aligned with the taxonomy to the revenue denominator	12,793	100.0%	12,793	100.0%	-	-
CapEx							
(...)							
4	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.29 of appendices I and II of delegated regulation (EU) 2021/2139 to the CapEx denominator	639	4.2%	639	4.2%	X	X
5	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.30 of appendices I and II of delegated regulation (EU) 2021/2139 to the CapEx denominator	9,657	63.1%	9,657	63.1%	X	X
(...)							
8	Amount and share of other eligible economic activities but not aligned with the taxonomy not included in lines 1 to 6 to the CapEx denominator	5,012	33%	5,012	33%	-	-
9	Total amount and share of eligible economic activities but not aligned with the taxonomy to the CapEx denominator	15,308	100.0%	15,308	100.0%	-	-

Economic activities		Amount and share					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (€/000)	%	Amount (€/000)	%	Amount (€/000)	%
OpEx							
(…)							
4	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.29 of appendices I and II of delegated regulation (EU) 2021/2139 to the OpEx denominator	1,016	19.8%	1,016	19.8%	-	-
5	Amount and share of eligible economic activity but not aligned with taxonomy referred to in section 4.30 of appendices I and II of delegated regulation (EU) 2021/2139 to the OpEx denominator	916	17.9%	916	17.9%	-	-
(…)							
8	Amount and share of other eligible economic activities but not aligned with the taxonomy not included in lines 1 to 6 to the OpEx denominator	3,198	62.3%	3,198	62.3%	-	-
9	Total amount and share of eligible economic activities but not aligned with the taxonomy to the OpEx denominator	5,131	100.0%	5,131	100.0%	-	-

Appendix 2 – Performance indicators

Cogeneration production for district heating[22]

District heating service data	2024	2023	2022
Length of network in km	199.97	185.46	184.43
Thermal energy fed into the network (kWht)	309,327,675	298,634,512	317,246,664
Heated volume (m³) – estimate (*)	15,441,533	15,372,855	15,372,855
Number of equivalent apartments (*)	68,935	68,628	68,628
Number of equivalent inhabitants served (estimate)	140,910	140,280	142,785

(*) residential housing unit with trading area and volume of 80 m^2 and 224 m^3 respectively

Distribution of electricity and natural gas[23]

Electricity distribution service

Electricity network extension (Km)	2024	2023	2022
High voltage network	45	48	48
Medium Voltage Network	1,789	1,671	1,644
Low voltage network	2,789	2,794	2,753
Total	**4,622**	**4,513**	**4,445**

Distributed Electricity (MWh)	2024	2023	2022
High Pressure	938,604	904,768	953,584
Medium and Low Voltage network	1,828,248	1,860,824	1,913,319
Total	**2,766,852**	**2,765,592**	**2,866,903**

POD Summary (no.)	2024	2023	2022
Low voltage POD	315,565	312,359	308,509
Medium and High Voltage POD	1,122	1,098	1,088
Total	**316,687**	**313,457**	**309,597**

Quality standards of service offered by distribution companies	2024	2023	2022
Total number of services performed	18,389	17,578	18,231
Total number of LV/MV supply activation cases	10,933	10,880	10,954
Total number of LV/MV supply reactivation cases following suspension due to lack of payment	7,456	6,698	7,277

[22] The performance indicators of AGSM AIM Calore are subject to assurance by an independent auditing firm, BDO Italia S.p.A.
[23] The performance indicators of V-Reti are subject to assurance by an independent auditing firm, BDO Italia S.p.A.

Natural gas management and distribution service

Gas network length (km)	2024	2023	2022
High-pressure network	20	20	21
Medium Pressure network	947	937	922
Low Pressure network	2,277	2,271	2,241
Total	**3,244**	**3,228**	**3,184**

Gas network pipelines (Km)	2024	2023	2022
Steel pipeline network	2,079	2,085	2,056
Polyethylene pipeline network	936	902	873
Pipelines made of other materials	229	240	255
Total	**3,244**	**3,228**	**3,184**

Gas injected into the network (Million Smc)	2024	2023	2022
Vicenza and province	226.3	217.5	229.2
Province of Padua	4.6	4.5	5.3
Treviso	56.7	55.9	58.3
Province of Verona	208.9	204.0	225.2
Province of Mantua	6.9	6.5	6.6
Total	**503.3**	**488.4**	**524.4**

White certificates (no.)	2024	2023	2022
Gas	24,217	25,471	17,519
Energy	7,016	6,734	5,022
Total	**31,233**	**32,205**	**22.51**

Quality standards of service offered by distribution companies	2024	2023	2022
Total number of services performed	18,596	18,459	19,815
Total number of simple services	1,467	1,438	1,565
Total number of complex services	243	274	255
Total number of supply activation cases	7,289	7,870	8,041
Total number of supply reactivation cases following suspension due to lack of payment	1,980	1,489	1,639

Smart services [24]

Public Lighting

Lighting fixtures and public lighting network	2024	2023	2022
Lighting points managed (no.)	81,764	78,956	72,424
of which LED (no.)	73,503	70,701	66,701
Percentage of LED lighting points out of total managed lighting points	89.9%	89.5%	92.1%
Length of network in km	1,052	1,052	1,052

Car parks and car parking services

Managed parking spaces (no.)	2024	2023	2022
Yellow-marked parking spaces	-	-	-
Blue-marked parking spaces	778	778	778
Barrier car parks spaces	1,574	1,574	1,574
Total parking spaces	**2,352**	**2,352**	**2,352**
Total cars entering the car parks	819,574	804,557	1,375,870

[24] The performance indicators of AGSM AIM Smart Solutions are subject to assurance by an independent auditing firm, BDO Italia S.p.A.

Climate change – ESRS_E1
Energy consumption and mix

[ESRS_E1, DR E1-5, DP 35, 37a, 37b 37c, 38a, 38b, 38c, 38d, 38e, 39]

Energy consumption	2024	2023	2022
Fuel consumption from coal and coal products (MWh)	0	0	0
Fuel consumption from crude oil and petroleum products (MWh)	45,013	42,366	44,848
Fuel consumption from natural gas (MWh)	766,047	841,986	693,831
Fuel consumption from other fossil sources (MWh)	10	0.5	129
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	4,223	4,118	0
Total energy consumption from fossil sources (MWh)	**815,292**	**888,470**	**738,808**
Share of fossil fuels in total energy consumption (%)	95.5%	96.6%	97.4%
Consumption from nuclear sources (MWh)	0	0	0
Share of consumption from nuclear sources in total energy consumption (%)	0.0%	0.0%	0.0%
Fuel consumption for renewable sources, including biomass (MWh)	0	0	0
Consumption of electricity, steam, and cooling from renewable sources, purchased or acquired (MWh)	38,228	31,202	19,614
The consumption of self-generated non-fuel renewable energy (MWh)	0	0	0
Total energy consumption from renewable sources (MWh)	**38,228**	**31,202**	**19,614**
Share of renewable sources in total energy consumption (%)	4.5%	3.4%	2.6%
Total Energy Consumption (MWh)	**853,520**	**919,672**	**758,422**

Energy intensity per net revenue

[ESRS_E1, DR E1-5, DP 40, 41]

	2024
Total energy consumption of activities in high climate impact sectors (MWh)	853,520
Net revenues from activities in high climate impact sectors (million €)	1,918,072
Total energy consumption of activities in high climate impact sectors relative to net revenues from those activities (MWh/million €)	0.45

Electricity produced (MWh)

[ESRS_E1, DR E1-5, DP 39]

	2024		2023		2022	
Total Non-Renewable	**243,323**	**43.4%**	**298,005**	**54.6%**	**680,817**	**78.7%**
Mincio thermoelectric power plant	65,008		118,307		461,303	
Cogeneration	178,315		179,698		219,514	
Total renewables	**317,593**	**56.6%**	**247,934**	**45.4%**	**183,936**	**21.3%**
Hydroelectric	200,841		113,580		69,006	
Photovoltaic	22,117		21,851		22,255	
Wind	94,634		112,772		92,674	
Total energy produced	**560,915**	**100.0%**	**545,939**	**100.0%**	**864,752**	**100.0%**

Thermal energy fed into the network (MWh_t)

[ESRS_E1, DR E1-5, DP 39]

	2024	2023	2022
Thermal energy fed into the network (MWht)	309,328	298,635	317,247

Greenhouse gas emissions (in tCO_2eq)[25].

[ESRS_E1, DR E1-6, DP 44a, 44b, 44c, 44d, 45a, 45b, 45c, 45d, 46, 47, 48a, 48b, 49a, 49b, 50a, 50b, 51, 52a, 52b]

Scope 1 (tCO2e)	2024	2023	2022	Change 24/23 %
Gross Scope 1 emissions	192,847	181,544	151,988	6.2%
% of Scope 1 emissions covered by regulated emissions trading systems	65.3%	67.7%	-	-2.5%

Scope 2 (tCO2e)	2024	2023	2022	Change 24/23 %
Gross Scope 2 emissions (location-based)	10,714	11,339	4,165	-0.6%
Gross Scope 2 emissions (market-based)	2,114	1,882	-	12.3%

[25] Emission factors used:
Scope 1: DEFRA – GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2024
Scope 2 Location-based: ISPRA - Italian Greenhouse Gas Inventory 1990-2021 National Inventory Report 2024
Scope 2 Market-based: AIB - 2023 European Residual Mix
Scope 3, Category 3: EPA – Environmental Protection Agency 2024.
For emissions from gas, the DEFRA-WTT 2024 emission factor has been used
Scope 3, Category 2: EPA – Environmental Protection Agency 2024
Scope 3, Category 3: DEFRA – GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2024
Scope 3, Category 5: DEFRA – GOV. UK – Waste disposal 2024
Scope 3, Category 6: DEFRA – GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2024
Scope 3, Category 7: DEFRA – GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2024
Scope 3, Category 11: DEFRA – GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2024

Scope 3 (tCO2e)	2024	2023	2022	Change 24/23 %
Scope 3 Total Gross Indirect Emissions	4,210,679	4,378,814	-	1.4%
Purchased goods and services	247,607	-	-	-
(of which Gas)	230,686	-	-	-
Capital goods	51,149	-	-	-
Fuel- and energy-related activities (not included in Scope 1 or 2)	2,451,276	2,993,019	-	-18.1%
Waste generated in operations	264,928	-	-	-
Business travel	12	-	-	-
Employee commuting	3,774	2,442	-	54.6%
Use of sold products	1,191,933	1,383,353	-	-13.8%
Total (Scope 1, Scope 2 location-based and Scope 3)	**4,414,240**	**4,571,138**		
Total (Scope 1, Scope 2 market-based and Scope 3)	**4,405,640**	**4,562,240**		

GHG intensity based on net revenue

[ESRS_E1, DR E1-6, DP 53, 54]

	2024
Total GHG emissions (location-based) (t CO_2eq)	4,414,240
Total GHG emissions (market-based) (t CO_2eq)	4,405,640
Net revenues (million €)	1,918,072
Total GHG emissions (location-based) compared to net revenues (t CO2eq/million €)	**2.30**
Total GHG emissions (market-based) compared to net revenues (t CO2eq/million €)	**2.30**

Own workforce – ESRS_S1
Workforce distribution by gender and location (no.)

[ESRS_S1, DR S1-6, DP 50a]

Group employees	2024	2023	2022
Female	265	257	283
Male	1,182	1,165	1,967
Other	0	0	0
Not reported	0	0	0
Total Italy	**1,447**	**1,422**	**1,980**
Female	304	116	119
Male	596	280	277
Other	0	0	0
Not reported	0	0	0
Total Albania	**900**	**396**	**396**
Total Group	**2,347**	**1,818**	**2,376**

Workforce distribution by contract type and gender (no.)

[ESRS_S1, DR S1-6, DP 50b]

Type of contract	2024		2023		2022	
Permanent contract	**2,305**	**98.2%**	**1,771**	**97.4%**	**2,293**	**96.5%**
Female	566	24.6%	370	20.9%	395	17.2%
Male	1,737	75.4%	1,401	79.1%	1,898	82.8%
Other	-	0.0%	-	0.0%	-	0.0%
Not reported	-	0.0%	-	0.0%	-	0.0%
Fixed-term contract	**41**	**1.7%**	**47**	**2.6%**	**83**	**3.5%**
Female	3	7.3%	3	6.4%	7	8.4%
Male	38	92.7%	44	93.6%	76	91.6%
Other	-	0.0%	-	0.0%	-	0.0%
Not reported	-	0.0%	-	0.0%	-	0.0%
Flexible working hours	**1**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Female	-	0.0%	-	0.0%	-	0.0%
Male	1	100.0%	-	0.0%	-	0.0%
Other	-	0.0%	-	0.0%	-	0.0%
Not reported	-	0.0%	-	0.0%	-	0.0%

Type of contract	2024		2023		2022	
Full-time	**2,263**	**96.4%**	**1,736**	**95.5%**	**2,293**	**96.5%**
Female	498	22.0%	304	17.5%	334	14.6%
Male	1,765	78.0%	1,432	82.5%	1,959	85.4%
Other	-	0.0%	-	0.0%	-	0.0%
Not reported	-	0.0%	-	0.0%	-	0.0%

Part-time	**84**	**3.6%**	**82**	**4.5%**	**83**	**3.5%**
Female	71	84.5%	69	84.1%	68	81.9%
Male	13	15.5%	13	15.9%	15	18.1%
Other	-	0.0%	-	0.0%	-	0.0%
Not reported	-	0.0%	-	0.0%	-	0.0%

Workforce distribution by contract type and location (no.)

[ESRS_S1, DR S1-6, DP 50b, 51]

Type of contract	2024		2023		2022	
Permanent contract	**2,305**	**98.2%**	**1,771**	**97.4%**	**2,293**	**96.5%**
Italy	1,405	61.0%	1,375	77.6%	1,897	82.7%
Albania	900	39.0%	396	22.4%	396	17.3%
Fixed-term contract	**41**	**1.7%**	**47**	**2.6%**	**83**	**3.5%**
Italy	41	100.0%	47	100.0%	83	100.0%
Albania	-	0.0%	-	0.0%	-	0.0%
Flexible working hours	**1**	**0.0%**	**-**	**0.0%**	**-**	**0.0%**
Italy	1	100.0%	-	0.0%	-	0.0%
Albania	-	0.0%	-	0.0%	-	0.0%

Type of contract	2024		2023		2022	
Full-time	**2,263**	**96.4%**	**1,736**	**95.5%**	**2,293**	**96.5%**
Italy	1,368	60.5%	1,344	77.4%	1,901	82.9%
Albania	895	39.5%	392	22.6%	392	17.1%
Part-time	**84**	**3.6%**	**82**	**4.5%**	**83**	**4.5%**
Italy	79	94.0%	78	95.1%	79	95.2%
Albania	5	6.0%	4	4.9%	4	4.8%

Recruitment broken down by gender, age, and location (no.)

[ESRS_S1, DR S1-6, DP 50c]

Recruitment	2024	2023	2022
Total recruitment	**880**	**223**	**424**
Female	252	23	54
Male	628	200	370
Other	0	0	0
Not reported	0	0	0
< 30 years old	168	64	64
30 ≤ x ≤ 50 years old	390	117	272
> 50 years old	322	42	88
Italy	157	187	231
Albania	723	36	193

Recruitment broken down by gender, age, and location - environmental focus [26](no.)

[ESRS_S1, DR S1-6, DP 50c]

Recruitment_ ENVIRONMENT BU	2024	2023	2022
Total recruitment	**813**	**144**	**279**
Female	230	5	41
Male	583	139	238
Other	0	0	0
Not reported	0	0	0
< 30 years old	144	31	36
30 ≤ x ≤ 50 years old	349	72	204
> 50 years old	320	41	39
Italy	90	108	86
Albania	723	36	193

26 The recruitment data for the Environment Business Unit includes the following companies: Transeco, Serit, EcoTirana, Valore Ambiente, SIA, and SIT

Terminations broken down by gender, age, and location – environmental focus (no.)

[ESRS_S1, DR S1-6, DP 50c]

Terminations	2024	2023	2022
Total terminations	**351**	**197**	**441**
Female	57	11	50
Male	294	186	391
Other	0	0	0
Not reported	0	0	0
< 30 years old	59	15	38
30 ≤ x ≤ 50 years old	156	50	226
> 50 years old	136	132	177
Italy	132	161	245
Albania	219	36	196

Terminations broken down by gender, age, and location – environmental focus [27](no.)

[ESRS_S1, DR S1-6, DP 50c]

ENVIRONMENT BU Terminations	2024	2023	2022
Total terminations	**295**	**146**	**291**
Female	43	6	39
Male	252	140	252
Other	-	0	0
Not reported	-	0	0
< 30 years old	55	8	35
30 ≤ x ≤ 50 years old	140	43	175
> 50 years old	100	95	81
Italy	76	110	95
Albania	219	36	196

[27] The termination data for the Environment Business Unit includes the following companies: Transeco, Serit, EcoTirana, Valore Ambiente, SIA, and SIT

Employee turnover in and out
[ESRS_S1, DR S1-6, DP 50c]

Employee turnover (inflow and outflow)	2024	2023	2022
Employees in total	**2,347**	**1,818**	**2,376**
Total recruitment	880	223	424
Incoming turnover	**37.5%**	**12.3%**	**18.8%**
Total terminations	351	197	441
Outgoing turnover	**15.0%**	**10.8%**	**19.0%**

Average training hours per employee by gender and job level

[ESRS_S1, DR S1-13, DP 83b]

Average hours per employee	2024	2023	2022
Total average hours per employee	**19.04**	**16.15**	**11.35**
Female	16.24	9.52	9.50
Male	19.93	12.90	11.66
Other	0.00	0.00	0.00
Not reported	0.00	0.00	0.00
Managers	20.53	8.94	9.26
Middle managers	27.89	54.93	37.75
White collar workers	36.67	10.17	13.19
Blue collar workers	9.96	5.27	8.62

Training hours by gender and job level (no.)

[ESRS_S1, DR S1-13, DP 83b]

Hours of training	2024		2023		2022	
Female	9,239	20.7%	3,867	13.2%	2,689	12.0%
Male	35,443	79.3%	25,492	86.8%	19,787	88.0%
Other	-	0.0%	-	0.0%	-	0.0%
Not reported	-	0.0%	-	0.0%	-	0.0%
Total training hours	**44,682**	**100.0%**	**29,359**	**100.0%**	**22,475**	**100.0%**
Managers	349	0.8%	322	1.1%	213	0.9%
Middle managers	1,953	4.4%	4,340	14.8%	2,630	11.7%
White collar workers	27,285	61.1%	13,850	47.2%	9,920	44.1%
Blue collar workers	15,096	33.8%	10,848	36.9%	9,710	43.2%

Workforce distribution by gender and job level (no.)

[ESRS_S1, DR S1-9, DP 66a]

	2024						2023						2022					
	Female	%	Male	%	Total	%	Female	%	Male	%	Total	%	Female	%	Male	%	Total	%
Managers	2	0.4%	15	0.8%	17	0.7%	2	0.5%	17	1.2%	19	1.0%	2	0.5%	21	1.1%	23	1.0%
Middle managers	17	3.0%	53	3.0%	70	3.0%	16	4.3%	55	3.8%	71	3.9%	16	4.0%	63	3.2%	79	3.3%
White collar workers	253	44.5%	491	27.6%	744	31.7%	238	63.8%	463	32.0%	701	38.6%	259	64.4%	506	25.6%	765	32.2%
Blue collar workers	297	52.2%	1,219	68.6%	1,516	64.6%	117	31.4%	910	63.0%	1,027	56.5%	125	31.1%	1,384	70.1%	1,509	63.5%
Total	**569**	**24.2%**	**1,778**	**75.8%**	**2,347**	**100.0%**	**373**	**20.5%**	**1,445**	**79.5%**	**1,818**	**100.0%**	**402**	**16.9%**	**1,974**	**83.1%**	**2,376**	**100.0%**

Workforce distribution by age and job level (no.)

[ESRS_S1, DR S1-9, DP 66b]

	2024					2023					2022				
	< 30 years old	30 ≤ x ≤ 50 years old	> 50 years old	Total	%	< 30 years old	30 ≤ x ≤ 50 years old	> 50 years old	Total	%	< 30 years old	30 ≤ x ≤ 50 years old	> 50 years old	Total	%
Managers	0	2	15	17	0.7%	0	2	17	19	1.0%	0	1	22	23	1.0%
Middle managers	0	32	38	70	3.0%	1	32	38	71	3.9%	0	26	53	79	3.3%
White collar workers	63	320	361	744	31.7%	44	307	350	701	38.6%	38	310	417	765	32.2%
Blue collar workers	146	612	758	1,516	64.6%	68	409	550	1,027	56.5%	31	673	805	1,509	63.5%
Total	**209**	**966**	**1,172**	**2,347**	**100.0%**	**113**	**750**	**955**	**1,818**	**100.0%**	**69**	**1,010**	**1,297**	**2,376**	**100.0%**

Remuneration metrics (pay gap and total compensation)
[ESRS_S1, DR S1-16, DP 97a, 97b]

Ratio female/male	2024		2023	
	Base Pay	Remuneration	Base Pay	Remuneration
Senior managers and middle managers	**93.0%**	**94.9%**	**93.7%**	**92.2%**
Less than 6 years	83.3%	82.7%	94.3%	106.9%
Between 6 and 15 years	76.9%	73.1%	76.4%	62.7%
between 16 and 25 years	96.5%	98.2%	92.9%	88.4%
More than 26 years	122.1%	135.1%	150.1%	65.4%
White collar workers	**92.4%**	**91.8%**	**92.2%**	**74.4%**
Less than 6 years	92.8%	91.5%	93.0%	75.6%
Between 6 and 15 years	97.0%	96.8%	95.1%	75.6%
between 16 and 25 years	91.9%	91.7%	89.7%	74.8%
More than 26 years	92.0%	91.2%	93.3%	73.6%
Blue collar workers	**76.0%**	**73.9%**	**80.0%**	**61.9%**
Less than 6 years	0.0%	0.0%	0.0%	0.0%
Between 6 and 15 years	0.0%	0.0%	91.8%	81.5%
between 16 and 25 years	77.3%	75.3%	77.6%	54.3%
More than 26 years	0.0%	0.0%	0.0%	0.0%

Health and safety metrics

[ESRS_S1, DR S1-14, DP 88a, 88b, 88c, 88d, 88e]

Own workforce	2024	2023	2022
Deaths due to work-related injuries (no.)	0	0	0
Deaths due to work-related illnesses (no.)	0	0	0
Work-related injuries (no.)[18]	60	80	79
Claims for work-related diseases (no.)	18	17	3
Hours worked (no.)	3,603,988	3,205,736	3,159,386
Lost working days (no.)	2,198	2,602	2,338
Severity rate (*)	0.48	0.65	0.74
Rate of workplace injuries with serious consequences (**)	3.33	4.37	7.00
Rate of recordable accidents in the workplace (***)	16.6	25.00	25.00
Percentage of employees covered by the health and safety management system	100%	100%	100%

(*) The severity rate corresponds to the ratio between the number of actual accident days and the number of hours worked multiplied by 1,000.
(**) Rate of accidents in the workplace correspond to the ratio between the number of serious accidents and the number of hours worked multiplied by 1,000,000.
(***) Rate of accidents in the workplace correspond to the ratio between the number of accidents and the number of hours worked multiplied by 1,000,000.

Health and safety metrics

[ESRS_S1, DR S1-14, DP 88b, 89]

Value chain employees at AGSM AIM sites	2024	2023	2022
Deaths due to work-related injuries (no.)	0	0	0
Deaths due to work-related illnesses (no.)	0	0	0

[18] The data does not include the number of commuting accidents

Consumers and end-users – ESRS_S4[19]

Energy customers served by the commercial companies of the AGSM AIM Group

Energy customers	2024	2023	2022
Electricity	563,348	530,192	527,558
Natural gas	326,312	322,077	320,294
Heat (*)	2,944	2,939	2,956
Total	**892,604**	**855,208**	**850,808**

(*) Customers of the district heating service

Geographical distribution of energy customers

	Electricity			Natural gas		
Geographical distribution of customers (*)	**2024**	**2023**	**2022**	**2024**	**2023**	**2022**
Veneto (%)	44.2%	47.9%	50.7%	67.9%	70.8%	74.8%
Abruzzo (%)	1.8%	1.6%	n.a.	4.0%	4.2%	n.a.
Other regions (%)	54.1%	50.5%	49.3%	28.0%	25.1%	25.2%

(*) Net of district heating customers

Customer served at the desk

Customer served at the desk	2024	2023	2022
Customer served at the desk (no.)	118,867	61,270	54,873
Average number of customers served per desk	11,041	3,829	3,920
Requests handled by the online service desks (no.)	280,387	391,584	305,978
Desk files percentage	72.6%	76.0%	66.2%

Average waiting time at the service desks

Average waiting time (Min)	2024	2023	2022
Verona desk - Single queue	05:36	04:21	19:26
CogasPiù Energie desk - Payment queue	02:50	04:00	04:18

Call centre calls

Call centre calls	2024	2023	2022
Calls received by the company call center (no.)	477,028	785,221	551,815
Average time to answer received calls (seconds)	119	158	127

Invoices issued

[19] The performance indicators of the Energy Business Unit are subject to assurance activities by an independent auditing firm, BDO Italia S.p.A.

Invoices issued	2024	2023	2022
Total invoices issued (no.)	4,501,539	5,117,891	4,012,489
Electronic invoices issued (no.)	2,437,817	2,612,872	1,705,352
Percentage of electronic invoices issued (%)	54.2%	51.1%	42.5%

Payment methods used for settling invoices

Payment methods used (%)	2024	2023	2022
SEPA direct debit	58.5%	56.7%	54.8%
Pre-Printed Postal Payment Slips	25.4%	27.1%	24.2%
Collection Orders, Bank Transfers	12.8%	13.3%	16.1%
Cbill - PagoPA	1.9%	2.1%	3.0%
Credit/debit card	1.4%	0.8%	1.9%

Contracts eligible for the Electricity bonus

Social Electricity bonuses (no.)	2024	2023	2022
Number of contracts eligible for the Electricity bonus (no.)	70,018	74,699	57,675
Number of contracts eligible for the GAS bonus (no.)	52,156	51,937	34,083
Total	**122,174**	**126,636**	**91,758**

Social Bonuses paid

Value of social bonuses (€/000)	2024	2023	2022
Electricity Bonus	11,925	25,151	30,938
Gas Bonus	2,981	34,010	30,268
Total	**14,906**	**59,161**	**61,206**

Appendix 3 – Disclosure requirements index

[ESRS_2, IRO-2, DP 56]

Disclosure Requirement		Reference pages
ESRS 2 - GENERAL DISCLOSURES		
BP-1	Basic principles for sustainability statement reporting	57-59
BP-2	Disclosure related to specific circumstances	57
GOV-1	The role of the administrative, management and supervisory bodies	87-88
GOV-3	Integration of sustainability-related performance in incentive schemes	89
GOV-4	Statement on due diligence	90
GOV-5	Risk management and internal controls over sustainability reporting	95-96
SBM-1	Strategy, business model and value chain	60-61
SBM-2	Interests and views of stakeholders	76-78
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	79-83, 84-86, 101-103, 107-108, 110, 113, 116, 153-154, 160, 167-169
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	79-83
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	205-208
E1 – CLIMATE CHANGE		
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	97-100
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to climate	97-100
E1-1	Transition plan for climate change mitigation	101-102
E1-2	Policies related to climate change mitigation and adaptation	103
E1- 3	Actions and resources in relation to climate change policies	103
E1- 4	Targets related to climate change mitigation and adaptation	101-102
E1- 5	Energy consumption and mix	104, 190-191
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ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to pollution	107-108
E2-1	Pollution-related policies	108
E2-2	Actions and resources related to pollution	108
E2-3	Pollution-related objectives	109

Disclosure Requirement		Reference pages
E2-4	Pollution of air, water and soil	109
E3 – WATER AND MARINE RESOURCES		
ESRS 2 IRO-1	Description of the processes to identify and assess relevant impacts, risks, and opportunities related to water and marine resources	110
E3-1	Policies related to water and marine resources	110-111
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E3-3	Targets related to water and marine resources	112
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E4 – BIODIVERSITY AND ECOSYSTEMS		
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ESRS 2 IRO-1	Description of the processes to identify and assess relevant impacts, risks, and opportunities related to biodiversity and ecosystems	113
E4-2	Policies related to biodiversity and ecosystems	113-114
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E5 – RESOURCE USE AND CIRCULAR ECONOMY		
ESRS 2 IRO-1	Description of the processes to identify and assess relevant impacts, risks, and opportunities related to resource use and the circular economy	116
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E5-2	Actions and resources related to resource use and the circular economy	117-118
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E5-4	Resource inflows	119
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ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	132-135
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S1-2	Processes for engaging with own workers and workers' representatives about impacts	136-137
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	136-137
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	139-141
S1-6	Characteristics of the company's employees	138-139, 195-199
S1-8	Collective bargaining coverage and social dialogue	139-141
S1-9	Diversity metrics	138-139, 200

Disclosure Requirement		Reference pages
S1-10	Adequate wages	139-141
S1-12	People with disabilities	142
S1-13	Training and skills development metrics	142-143, 199
S1-14	Health and safety metrics	143-145
S1-15	Work-life balance metrics	139-141
S1-16	Compensation metrics (pay gap and total compensation)	142, 201
S1-17	Incidents, complaints and severe human rights impacts	142, 202
S2 – WORKERS IN THE VALUE CHAIN		
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	146-148
S2-1	Policies related to own workforce	149-151
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	149-151
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	151
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	152
S3 – AFFECTED COMMUNITIES		
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	153-154
S3-1	Policies relating to affected communities	155
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	155-158
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S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	159
S4 – CONSUMERS AND END-USERS		
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	160
S4-1	Policies related to consumers and end-users	162
S4-3	Consumer and end-user engagement processes	165-166
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	162-165
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	167
G1 – BUSINESS CONDUCT		

Disclosure Requirement		Reference pages
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	19-170
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	167-169
G1-1	Business conduct policies and corporate culture	60, 171-173
G1-2	Management of relationships with suppliers	149-151, 174
G1-3	Prevention and detection of corruption and bribery	171-172
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Appendix 4 - List of datapoints in cross-cutting and topical standards that derive from other EU legislation

[ESRS_2 APPENDIX B]

Disclosure Requirement and related datapoint	SFDR Reference[20]	Third Pillar Reference[21]	Reference to the Benchmark Regulation[22]	Reference to the EU Climate Regulation[23]	Sustainability Report Sections
ESRS 2 GOV-1 Gender diversity on the board, DP 21, letter d)	X		X		1.4 Sustainability Governance
ESRS 2 GOV-1 Percentage of independent members of the Board of Directors, DP 21, letter e)			X		1.4 Sustainability Governance
ESRS 2 GOV-4 Duty of Diligence Statement, DP 30	X				1.4.2 Declaration of Due Diligence
ESRS 2 SBM-1 Involvement in activities related to the fossil fuel sector, DP 40, letter d), point i)	X	X	X		1.2 Business Model and Strategy
ESRS 2 SBM-1 Involvement in activities related to chemical production, DP 40, letter d), point ii)	X		X		n.a.
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, DP 40, letter d), point iii)	X		X		n.a.
ESRS 2 SBM-1 Involvement in activities related to tobacco cultivation and production, DP 40, letter d), point iv)			X		n.a.
ESRS E1-1 Transition plan to reach climate neutrality by 2050 DP 14				X	n.a.
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks DP 16 (g)		X	X		n.a.
ESRS E1-4 GHG emission reduction targets DP 34	X	X	X		2.1.1 Strategy
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources	X				2.1.3 Metrics and targets

[20] *Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).*
[21] *Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).*
[22] *Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).*
[23] *Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).*

Disclosure Requirement and related datapoint	SFDR Reference[20]	Third Pillar Reference[21]	Reference to the Benchmark Regulation[22]	Reference to the EU Climate Regulation[23]	Sustainability Report Sections
(only high climate impact sectors) DP 38					
ESRS E1-5 Energy consumption and mix, DP 37	X				2.1.3 Metrics and targets
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	X				2.1.3 Metrics and targets
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, DP 44	X	X	X		2.1.3 Metrics and targets
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	X	X	X		2.1.3 Metrics and targets
ESRS E1-7 GHG removals and carbon credits, DP 56				X	n.a.
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, DP 66			X		Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk DP 66 (a) ESRS E1-9 Location of significant assets at material physical risk DP 66 (c)		X			Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes DP 67 (c)		X			Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities DP 69			X		Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, DP 28	X				2.2.2 Metrics and targets
ESRS E3-1 Water and marine resources, DP 9	X				2.3 Water and marine resources
ESRS E3-1 Dedicated policy DP 13	X				2.3.1 Impacts, risks and opportunities management

Disclosure Requirement and related datapoint	SFDR Reference[20]	Third Pillar Reference[21]	Reference to the Benchmark Regulation[22]	Reference to the EU Climate Regulation[23]	Sustainability Report Sections
ESRS E3-1 Sustainable oceans and seas DP 14	X				n.a.
ESRS E3-4 Total water recycled and reused DP 28 (c)	X				2.3.2 Metrics and targets
ESRS E3-4 Total water consumption in m3 per net revenue on own operations DP 29	X				2.3.2 Metrics and targets
ESRS 2 SBM-3 – E4 DP 16 (a) (i)	X				2.4 Biodiversity and ecosystems
ESRS 2 SBM-3 – E4 DP 16, (b)	X				2.4 Biodiversity and ecosystems
ESRS 2 SBM-3 – E4 DP 16, letter c)	X				2.4 Biodiversity and ecosystems
ESRS E4-2 Sustainable land / agriculture practices or policies DP 24 (b)	X				2.4.1 Impacts, risks and opportunities management
ESRS E4-2 Sustainable oceans / seas practices or policies DP 24 (c)	X				n.a.
ESRS E4-2 Policies to address deforestation DP 24 (d)	X				2.4.1 Impacts, risks and opportunities management
ESRS E5-5 Unrecycled waste, DP 37, (d)	X				2.5.2 Metrics and targets
ESRS E5-5 Hazardous Waste and Radioactive Waste, DP 39	X				2.5.2 Metrics and targets
ESRS 2- SBM3 - S1 Risk of incidents of forced labour DP 14 (f)	X				3.1 Own workforce
ESRS 2- SBM3 - S1 Risk of incidents of child labour DP 14 (g)	X				3.1 Own workforce
ESRS S1-1 Human rights policy commitments DP 20	X				n.a.
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, DP 21			X		3.1.2 Impacts, risks and opportunities management
ESRS S1-1 Processes and measures for preventing trafficking in human beings DP 22	X				n.a.
ESRS S1-1 Workplace accident prevention policy or management system DP 23	X				3.1.3 Metrics and targets
ESRS S1-3	X				3.1 Own workforce

Disclosure Requirement and related datapoint	SFDR Reference[20]	Third Pillar Reference[21]	Reference to the Benchmark Regulation[22]	Reference to the EU Climate Regulation[23]	Sustainability Report Sections
Grievance/complaints handling mechanisms DP 32 (c)					
ESRS S1-14 Number of fatalities and number and rate of work-related accidents DP 88 (b) and (c)	X		X		3.1.3 Metrics and targets
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness DP 88 (e)	X				3.1.3 Metrics and targets
ESRS S1-16 Unadjusted gender pay gap DP 97 (a)	X		X		3.1.3 Metrics and targets
ESRS S1-16 Excessive CEO pay ratio DP 97 (b)	X				n.a.
ESRS S1-17 Incidents of discrimination DP 103 (a)	X				3.1.3 Metrics and targets
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD DP 104 (a)	X		X		3.1.3 Metrics and targets
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain DP 11 (b)	X				3.1.3 Metrics and targets
ESRS S2-1 Human rights policy commitments DP 17	X				n.a.
ESRS S2-1 Policies related to value chain workers DP 18	X				3.2 Workers in the value chain
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines DP 19	X		X		3.2.2 Impacts, risks and opportunities management
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, DP 19			X		3.2.2 Impacts, risks and opportunities management
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain DP 36	X				3.2.2 Impacts, risks and opportunities management
ESRS S3-1 Human rights policy commitments DP 16	X				n.a.

Disclosure Requirement and related datapoint	SFDR Reference[20]	Third Pillar Reference[21]	Reference to the Benchmark Regulation[22]	Reference to the EU Climate Regulation[23]	Sustainability Report Sections
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines DP 17	X		X		3.3.2 Impacts, risks and opportunities management
ESRS S3-4 Human rights issues and incidents DP 36	X				3.3.2 Impacts, risks and opportunities management
ESRS S4-1 Policies related to consumers and end-users DP 16	X				3.4.2 Impacts, risks and opportunities management
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines DP 17	X		X		3.4.2 Impacts, risks and opportunities management
ESRS S4-4 Human rights issues and incidents DP 35	X				3.4.2 Impacts, risks and opportunities management
ESRS G1-1 United Nations Convention against Corruption DP 10 (b)	X				4.1.2 Impacts, risks and opportunities management
ESRS G1-1 Whistleblower Protection, DP 10 (d)	X				4.1.2 Impacts, risks and opportunities management
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws DP 24 (a)	X		X		4.1.3 Metrics and targets
ESRS G1-4 Standards of anti-corruption and anti-bribery DP 24 (b)	X				4.1 Business conduct

Appendix 5 - Concordance table between material topics and SDGs

MATERIAL TOPIC	GLOBAL GOALS	GROUP COMMITMENTS
Climate change	13 CLIMATE ACTION	The AGSM AIM Group promotes climate change mitigation strategies in order to reduce climate-changing emissions that have a direct impact on the quality of the environment in which we live. It pays great attention and makes important investments in developing renewable sources in order to create a more sustainable energy system, less dependent on fossil fuels and, therefore, less polluting.
Decarbonisation, energy efficiency and the use of renewable sources	13 CLIMATE ACTION	The AGSM AIM Group is constantly committed to minimising its environmental impact, with particular regard to reducing CO2 emissions. In this regard, the Group is committed to implementing improvement plans aimed at containing and reducing its climate-changing emissions, through the continuous energy efficiency of its offices and plants and the progressive replacement of the company's fleet with new vehicles and cars with low environmental impact.
Protection of the environment, biodiversity and ecosystems	13 CLIMATE ACTION	The AGSM AIM Group is committed to safeguarding the natural value and biodiversity of the territories in which it operates and that are affected by the presence of its plants by implementing appropriate environmental safeguards and measures. While performing its activities, the AGSM AIM Group adopts a business model that is attentive to sustainable and environmentally responsible behaviour. It pays particular attention to the flora and fauna of the places where it operates, undertaking to carry out its activities by taking into account the needs of the surrounding ecosystem and to promptly correct any negative impacts that may occur as part of its business activities.
Circular economy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	AGSM AIM is committed to respecting the principles of sustainability and circular economy through a responsible use of natural resources and a targeted use of new raw materials when carrying out its activities.
Smart cities and sustainable mobility	11 SUSTAINABLE CITIES AND COMMUNITIES	The AGSM AIM Group focuses on innovation and the green economy by providing robust development models for all the services offered with the aim of accompanying the public administration in the energy and digital transition and by supporting local communities with its effectiveness in managing energy efficiency projects and its expertise in managing complex projects such as the redevelopment in public buildings.
Development of distribution networks	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	The AGSM AIM Group is committed to making its infrastructures increasingly resilient and able to remain available even in times of climate emergency, ensuring the continuous provision of essential services and helping to mitigate the effects of climate change in the territories where it is present with its assets.
Attention to customer needs and customer satisfaction	1 NO POVERTY	AGSM AIM promotes responsible management throughout the supply chain by adopting sustainable procurement policies in order to promote integrated and effective supply chain management capable of reducing the environmental and social impacts generated.

MATERIAL TOPIC	GLOBAL GOALS	GROUP COMMITMENTS
Corporate wellbeing, diversity and inclusion – protection of human rights	8 DECENT WORK AND ECONOMIC GROWTH 5 GENDER EQUALITY 4 QUALITY EDUCATION	Attention to People is a central element of the AGSM AIM Group's growth project as they represent an essential factor for carrying out the activity and achieving the company objectives. AGSM AIM promotes an inclusive work environment that encourages work-life balance, values people, respects human dignity and individuality and is committed to ensuring that recruitment, development and career advancement are based on merit and free of any form of discrimination.
Occupational health and safety	8 DECENT WORK AND ECONOMIC GROWTH	The AGSM AIM Group considers the health and safety of the person a priority for its business model. In this regard, it has implemented an effective management system compliant with the international standard ISO 45001 which, together with staff training and awareness-raising activities, plays a key role in reducing health and safety risks for staff.
Commitment to local communities and protection of the territory	11 SUSTAINABLE CITIES AND COMMUNITIES	AGSM AIM supports the development and economic growth of the People who live in the territory in which the Group operates, generating job opportunities and preferring the selection of local suppliers. The Group is committed to increasing the development and the economic as well as social and cultural well-being of communities, thanks to sponsorships and donations, investing in projects that can generate a positive impact on People.
Responsible supply chain management	8 DECENT WORK AND ECONOMIC GROWTH 5 GENDER EQUALITY	The choice of suppliers is inspired by principles of impartiality, competence, competition and cost-effectiveness, as well as principles of transparency and excellence, in compliance with the highest quality standards. The supply relationships are based on compliance with the laws and regulations in force also in the field of labour, human rights, health and safety, environmental protection, the fight against corruption and illegality. The AGSM AIM Group prefers the choice of qualified, reliable suppliers and, where possible, located in its reference territory. Support for local production is, in fact, an integral part of the Group's commitment to the communities where it operates, in order to foster the development of the local economy, promoting the creation of shared value.
Technological innovation and digital transformation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	The AGSM AIM Group is committed to adopting innovative technologies capable of ensuring cultural and social evolution, in an efficient business context, also with respect for the protection of personal data.
Governance geared towards sustainable success	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	The Group organises its business activities in order to achieve sustainable success to benefit its stakeholders.
Business integrity and corporate reputation	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	The AGSM AIM Group carries out business activities inspired by high standards of fairness, loyalty, integrity and transparency and in compliance with current legislation. In this regard, the Group adopts policies aimed at spreading the culture of legality, protecting the company's reputation, thus ensuring value creation over time. In the belief that the fight against corruption represents a fundamental value in the conduct of its business, AGSM AIM has defined and adopted, on a voluntary basis, its Group Code of Ethics, the Anti-Corruption Policy and, where deemed appropriate, the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

Report of the Independent Auditors on the Sustainability Report

AGSM AIM S.p.A.

Independent auditors' limited assurance report on the consolidated sustainability statement pursuant to article 14-bis of Legislative Decree no. 39 of 27 January 2010

Consolidated sustainability statement as at 31 December 2024

This independent auditors' limited assurance report has been translated into English language from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

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37136 Verona

Independent auditors' limited assurance report on the consolidated sustainability statement pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

(Translation from the original Italian text)

To the shareholders of
AGSM AIM S.p.A.

Conclusion

Pursuant to articles 8 and 18.1 of Legislative Decree no. 125 of 6 September 2024 (the "Decree"), we have been engaged to perform a limited assurance engagement on the 2024 consolidated sustainability statement of the AGSM AIM Group (the "Group") prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated management report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Group's 2024 consolidated sustainability statement has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in the "European Taxonomy Disclosure" section and in the "Appendix 1 - European Taxonomy" of the consolidated sustainability statement has not been prepared, in all material respects, in accordance with article 8 of European Regulation n. 852 dated 18 June 2020 (hereinafter the "Taxonomy Regulation").

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in this type of engagement vary in nature and timing compared to those necessary for an engagement aimed at obtaining a reasonable level of assurance and are also less extensive.
Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under that standard are further described in the "*Auditors' responsibilities for the limited assurance engagement on the consolidated sustainability statement*" section of our report.
We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.
Our firm applies *International Standard on Quality Management (ISQM Italia) 1* and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.
We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Other matters

The comparative information presented in the consolidated sustainability statement relating to previous financial years has not been subjected to an assurance engagement.

Responsibilities of the directors and the board of statutory auditors of AGSM AIM S.p.A. for the consolidated sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability statement in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in the "Key sustainability issues" section of the consolidated sustainability statement.

The directors are also responsible for the preparation of a consolidated sustainability statement in accordance with article 4 of the Decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the "European Taxonomy Disclosure" section and in the "Appendix 1 - European Taxonomy" with article 8 of the Taxonomy Regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a consolidated sustainability statement in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, within the terms established by the Italian law, compliance with the Decree's provisions.

Inherent limitations in preparing the consolidated sustainability statement

For the purpose of disclosing forward-looking information in accordance with the ESRS, the Directors are required to prepare such information based on assumptions, described in the consolidated sustainability statement, regarding future events and the group's actions that are not necessarily expected to occur. Due to the uncertainty associated with the realization of any future event, both as regards to the materialization of the event and as regards to the extent and timing of its manifestation, the variations between the actual values and the prospective information could be material.

Group's disclosures about greenhouse gas Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative Scope 3 information from value chain.

Auditors' responsibilities for the limited assurance engagement on the consolidated sustainability statement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or not intentional behaviors or events, and to issue an assurance report that includes our conclusions. Misstatements can arise from fraud or not intentional behaviors or events and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with the *Standard on Sustainability Assurance Engagement - SSAE (Italia)*, we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due to fraud or not intentional behaviors or events;

- designing and performing procedures to address disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from not intentional behaviors or events, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the limited assurance engagement on the consolidated sustainability statement and assuming full responsibility for the conclusions on the consolidated sustainability statement.

Summary of the work performed

An engagement aimed at obtaining a limited level of assurance involves performing procedures to obtain evidence as a basis for our conclusions.

The procedures performed were based on our professional judgement and included inquiries, primarily of the AGSM AIM S.p.A.'s personnel responsible for the preparation of the information presented in the consolidated sustainability statement, as well as documents analyses, recalculations and other evidence- gathering procedures, as appropriate.

We have performed the following main procedures:

- understanding the Group's business model, strategies and operating environment with regard to sustainability matters;
- understanding the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the consolidated sustainability statement;
- understanding the process adopted by the Group to identify and assess material sustainability-related impacts, risks and opportunities, based on the double materiality principle;
- identifying disclosures in which a material misstatement is likely to occur, whether due to fraud or error;
- designing and performing procedures, based on our professional judgement, to address the identified risks of material misstatement;
- understanding the process adopted by the Group to determine taxonomy-eligible activities and determine their aligned nature based on the provision of the Taxonomy Regulation, and verifying the related disclosures presented in the consolidated sustainability statement;
- cross-checking the information contained in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework or with the accounting records used for the preparation of the consolidated financial statements or with the accounting management figures;
- verifying the structure and presentation of the disclosures included in consolidated sustainability statement in accordance with the ESRS;
- obtaining the representation letter.

Verona, May 22, 2025

BDO Italia S.p.A.
Signed in the original by

Francesco Ballarin
Partner

Consolidated financial statements

Consolidated Statement of Financial Position

FINANCIAL POSITION - ASSETS	NOTES	2024	2023
NON-CURRENT ASSETS			
Intangible assets	1	436,456,563	427,117,179
Property, plant and equipment	2	532,251,657	486,355,622
Goodwill	3	52,984,566	53,045,617
Equity investments	4	16,759,644	14,948,058
Other non-current financial assets	5	45,153,199	44,044,081
Deferred tax assets	6	42,391,420	39,838,913
Other non-current assets	7	7,375,990	9,086,302
Total non-current assets		**1,133,373,038**	**1,074,435,773**
CURRENT ASSETS			
Inventories	8	17,759,335	21,279,895
Trade receivables	9	515,928,836	392,610,735
Current financial assets	10	639,907	3,341,172
Current tax assets	11	11,028,835	29,165,934
Other current assets	12	59,276,152	74,262,819
Cash and cash equivalents	13	27,130,007	26,789,442
Total current assets		**631,763,071**	**547,449,998**
Assets held for sale	14	2,200,000	2,486,290
TOTAL ASSETS		**1,767,336,110**	**1,624,372,061**
FINANCIAL POSITION - LIABILITIES			
EQUITY	**15**		
Share capital		95,588,235	95,588,235
Legal reserve		18,574,469	16,347,623
Other reserves		516,091,055	520,024,214
Profit (loss) for the year		48,857,956	27,057,327
Total equity		**679,111,716**	**659,017,400**
Minority Interests		21,597,238	20,380,649
Total Equity		**700,708,954**	**679,398,049**
NON-CURRENT LIABILITIES			
Non-current financial liabilities	16	169,483,390	156,369,847
Employee benefits	17	18,074,151	20,572,149
Provision for risks and charges	18	64,211,336	59,647,279
Deferred tax liabilities	19	26,776,311	31,166,857
Other non-current liabilities	20	28,918,175	30,447,619
Total non-current liabilities		**307,463,363**	**298,203,750**
CURRENT LIABILITIES			
Current financial liabilities	21	234,718,245	240,852,046
Trade payables	22	381,909,997	262,476,915
Current tax liabilities	23	11,381,020	19,742,055
Other current liabilities	24	131,154,531	123,699,246
Total current liabilities		**759,163,793**	**646,770,262**
TOTAL LIABILITIES		**1,767,336,110**	**1,624,372,061**

Consolidated Statement of Comprehensive Income

INCOME STATEMENT	NOTES	2024	2023
Revenue		**1,918,072,225**	**2,042,650,075**
Revenue from sales and services	25	1,851,190,783	1,978,012,907
Change in inventories	26	(1,014,699)	(7,821,288)
Other revenue	27	67,896,140	72,458,456
Operating costs		**1,639,297,813**	**1,793,932,258**
Raw materials and consumables	28	864,900,285	1,204,785,088
Services	29	733,810,765	554,511,228
Leases and rentals	30	15,129,437	12,575,989
Other operating costs	31	25,457,325	22,059,953
Added value		**278,774,412**	**248,717,816**
Personnel costs	32	96,950,905	91,795,789
EBITDA		**181,823,507**	**156,922,027**
Amortisation, depreciation, and provisions	**33**	**93,204,108**	**92,563,053**
Amortisation and depreciation		78,779,715	72,287,519
Write-down of receivables		8,959,238	9,777,871
Other provisions		5,250,259	10,497,663
Impairment of fixed assets		214,896	-
Net operating income		**88,619,399**	**64,358,974**
Financial position		**(12,634,824)**	**(21,569,994)**
Income from equity investments	34	556,444	418,291
Financial income	35	2,955,122	5,874,810
Financial expenses	36	(16,708,185)	(27,799,811)
Adjustments to financial assets	37	561,794	(63,284)
Pre-tax profit (loss)		**75,984,574**	**42,788,980**
Income taxes	38	23,374,906	13,886,061
Profit (loss) from operations		**52,609,668**	**28,902,919**
Profit (loss) from discontinued operations, net of tax effects	39	-	502,396
Profit (loss) for the year (A)		**52,609,668**	**29,405,315**
Profit (Loss) attributable to the Parent		48,857,956	27,057,327
Minority Interests		3,751,712	2,347,988

Other comprehensive income that will not be subsequently reclassified to profit or loss	2024	2023
Actuarial gains/(losses) for employee benefits	1,733,199	2,194,830
Tax effect on actuarial gains (losses) for employee benefits	(175,951)	(526,948)
Total actuarial gains (losses) net of the tax effect (B)	**1,557,249**	**1,667,882**
Change in the fair value of cash flow hedging derivatives	(3,970,926)	19,270,577
Tax effect on change in the fair value of cash flow hedging derivatives	953,022	(4,624,938)
Total actuarial gains (losses) net of the tax effect (C)	**(3,017,904)**	**14,645,639**
Total comprehensive profits (losses) net of tax effect (B) + (C)	**(1,460,655)**	**16,313,521**
Total comprehensive income (A) + (B) + (C)	**51,149,013**	**45,718,836**

CONSOLIDATED STATEMENT OF CASH FLOWS	2024	2023
A. Cash flows from operating activities (indirect method)		
Profit (loss) for the year	52,609,668	29,405,315
Income taxes	23,374,906	13,886,061
Interest expense	16,708,185	27,799,811
Interest income	(3,090,122)	(5,874,810)
(Dividends)	(421,444)	(418,291)
Losses deriving from the sale of assets	2,980,307	1,653,195
(Gains) deriving from the sale of assets	(334,824)	(1,452,753)
Profit/(loss) for the year before income taxes, interest, dividends and gains/losses on sales	**91,826,676**	**64,998,528**
Adjustments for non-monetary elements that were not offset in the NWC		
Accruals to provisions	22,665,141	24,049,246
Amortisation and depreciation	78,584,334	72,287,519
Impairment	214,896	-
Other non-monetary adjustments	(561,877)	108,345
Cash flows before changes in NWC	**192,729,170**	**161,443,638**
Changes in net working capital		
Decrease/(increase) in inventories	3,520,560	6,364,605
Decrease/(increase) in trade receivables	(121,242,363)	276,488,128
Increase/(decrease) in trade payables	124,256,894	(115,921,359)
Decrease/(increase) in accrued income and prepaid expenses	1,358,786	(53,743)
Increase/(decrease) in accrued expenses and deferred income	510,729	1,130,411
Other changes in net working capital	16,857,619	153,672,360
Cash flows after changes in NWC	**217,991,394**	**483,124,041**
Other adjustments		
Interest received	3,090,122	5,874,810
(Interest paid)	(16,708,185)	(27,799,811)
(Income tax paid)	(24,612,259)	(30,267,959)
Dividends received	421,444	418,291
(Use of provisions)	(17,846,412)	(12,379,133)
Cash flows from operating activities (A)	**162,336,105**	**418,970,238**
B. Cash flows from investing activities		
Intangible assets		
(Investments)	(49,050,646)	(37,912,653)
Disinvestments	49,514	-
Property, plant and equipment		
(Investments)	(86,544,444)	(76,994,142)
Disinvestments	(282,948)	632,558
Financial fixed assets		
(Investments)	(1,300,000)	-
Disinvestments	318,447	-
Current financial assets		
(Investments)	(1,209,118)	-
(Acquisition of subsidiaries net of cash)	(141,667)	-
Cash flows from investing activities (B)	**(138,160,862)**	**(114,274,236)**
C. Cash flows from financing activities		
Third party financing		
Increase (decrease) in short-term payables to banks	2,450,645	(191,087,889)
Raising of bonds	45,086,111	-
Repayment of bonds		(10,031,231)
Raising of loans	31,034,680	252,775,625
Increase (decrease) in short-term payables for leases and factoring	644,192	(695,579)
Repayment of loans	(67,170,889)	(317,748,674)
Equity		
Dividends (and interim dividends) paid	(35,877,422)	(29,785,577)
Cash flows from financing activities (C)	**(23,832,682)**	**(296,573,325)**
Increase (decrease) in cash and cash equivalents (A± B ± C)	**342,561**	**8,122,677**
Cash and other cash equivalents at the beginning of the year	**26,789,818**	**18,667,141**
bank and postal accounts	26,681,861	18,582,614
cash-in-hand and cash equivalents	107,957	84,273
Cash and other cash equivalents at the end of the year	**27,130,007**	**26,789,818**
bank and postal accounts	27,024,771	26,681,861
cash-in-hand and cash equivalents	107,607	107,957

Consolidated Statement of Changes in Equity for the year

Equity	Share capital	Share premium/contribution reserve	Revaluation surplus	Legal reserve	Extraordinary reserve	Provision for grants related to plants	Transformation reserve as per Law 127/97	IFRS FTA Reserve	Other reserves
Opening Balance	95,588	384,339	7,385	16,348	3,875	3,194	34,836	(879)	32,212
Allocation of the result	-	-	-	2,226	-	-	-	-	160
Changes in scope	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	(1,066)
Other changes	-	-	-	-	-	-	-	-	-
Foreign exchange difference	-	-	-	-	-	-	-	-	276
Profit (loss) for the year	-	-	-	-	-	-	-	-	-
Closing Balance	**95,588**	**384,339**	**7,385**	**18,574**	**3,875**	**3,194**	**34,836**	**(879)**	**31,582**

Equity	Cash flow hedge reserve	Retained earnings (losses)	Consolidation reserve	Profit (loss) for the year	Group Total Equity	Minority interests in share capital and reserves	Minority interests	Total Minority Interests	Total Equity
Opening Balance	43	35,940	19,079	27,057	659,017	18,033	2,348	20,381	679,398
Allocation of the result	-	24,671	-	(27,057)	-	2,348	(2,348)	-	-
Changes in scope	-	-	-	-	-	(321)	-	(321)	(321)
Dividends paid	-	(27,800)	-	-	(27,800)	(2,235)	-	(2,235)	(30,035)
Other comprehensive income	(313)	-	-	-	(1,379)	(92)	-	(92)	(1,471)
Other changes	-	141	-	-	139	5	-	5	144
Foreign exchange difference	-	-	-	-	277	107	-	107	384
Profit (loss) for the year	-	-	-	48,858	48,858	-	3,752	3,752	52,610
Closing Balance	**(270)**	**32,952**	**19,079**	**48,858**	**679,112**	**17,846**	**3,752**	**21,597**	**700,709**

Consolidated Statement of Changes in Equity - previous year

Equity	Share capital	Share premium/contribution reserve	Revaluation surplus	Legal reserve	Extraordinary reserve	Provision for grants related to plants	Transformation reserve as per Law 127/97	IFRS FTA Reserve	Other reserves
Opening Balance	95,588	384,339	7,183	13,139	8,758	3,194	34,836	(879)	15,048
Allocation of the result	-	-	-	712	-	-	-	-	654
Changes in scope	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(4,883)	-	-	-	-
Reclassifications	-	-	201	2,497	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	16,305
Other changes	-	-	-	-	-	-	-	-	-
Foreign exchange difference	-	-	-	-	-	-	-	-	204
Profit (loss) for the year	-	-	-	-	-	-	-	-	-
Closing Balance	**95,588**	**384,339**	**7,385**	**16,348**	**3,875**	**3,194**	**34,836**	**(879)**	**32,212**

Equity	Cash flow hedge reserve	Retained earnings (losses)	Consolidation reserve	Profit (loss) for the year	Group Total Equity	Minority interests in share capital and reserves	Minority interests	Total Minority Interests	Total Equity
Opening Balance	96	26,291	18,951	46,459	653,003	18,217	2,939	21,155	674,159
Allocation of the result	-	45,092	-	(46,459)	-	2,939	(2,939)	-	-
Changes in scope	-	773	128	-	901	(773)	-	(773)	128
Dividends paid	-	(33,117)	-	-	(38,000)	(3,197)	-	(3,197)	(41,197)
Reclassifications	-	(2,698)	-	-	-	-	-	-	-
Other comprehensive income	(53)	-	-	-	16,252	549	-	549	16,801
Other changes	-	(400)	-	-	(400)	167	-	167	(233)
Foreign exchange difference	-	-	-	-	204	131	-	131	335
Profit (loss) for the year	-	-	-	27,057	27,057	-	2,348	2,348	29,405
Closing Balance	**43**	**35,940**	**19,079**	**27,057**	**659,017**	**18,033**	**2,348**	**20,381**	**679,398**

Information by operating segment

Information about the Business Units is prepared in accordance with the provisions of IFRS 8 "Operating segments" that require the presentation of this information in a manner consistent with the methods adopted by management to make operational decisions. Consequently, the identification of the operating segments and the information provided are determined based on the internal reporting system used by management for the purpose of allocating resources to the different segments and analysing the respective performance. IFRS 8 defines an operating segment as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- for which discrete financial information is available.

The Business Units in which the company operates are:

- Power: management of plants for producing electricity from different energy sources
- Heat: production of electricity and heat with cogeneration and thermal energy distribution systems;
- Networks: management of the gas and electricity distribution and metering service;
- Market: sale of electricity, gas and heat for district heating;
- Smart: public lighting, telecommunications, parking management and sustainable mobility
- Environment: sweeping, collection, treatment and disposal of waste;

These operating segments are presented in accordance with IFRS 8, which requires that segment reporting be based on the elements that management uses to make its own operating and strategic decisions. The following segment reporting does not contain the secondary segment reporting broken down by geographic area, given that the Group chiefly operates in one area (north-east Italy).

	POWER BU	HEAT BU	MARKET BU	NETWORKS BU	SMART BU	ENVIRONMENT BU	CORPORATES AND ELIMINATIONS	CONSOLIDATED
Value of production	**65**	**56**	**1,670**	**145**	**20**	**126**	**(164)**	**1,918**
Costs of production	**(37)**	**(52)**	**(1,591)**	**(82)**	**(13)**	**(116)**	**154**	**(1,736)**
EBITDA	**28**	**4**	**79**	**63**	**7**	**11**	**(9)**	**182**
EBITDA Margin	43%	8%	5%	43%	34%	8%	6%	9%
EBIT	**17**	**1**	**66**	**33**	**2**	**2**	**(32)**	**89**
EBIT Margin	26%	1%	4%	23%	10%	2%	20%	5%
EBT	**17**	**-**	**67**	**26**	**2**	**4**	**(41)**	**76**
EBT Margin	26%	0%	4%	18%	10%	3%	25%	4%
Tax for the year	(5)	-	(20)	(7)	(1)	(1)	10	(23)
Profit	**12**	**-**	**48**	**19**	**1**	**3**	**(31)**	**52**
Profit %	18%	0%	3%	13%	7%	3%	19%	3%

Notes to the Consolidated Financial Report

Basis of preparation

The Consolidated Financial Statements of the AGSM AIM Group at 31 December 2024 consist of the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the notes to the consolidated financial statements.
These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005. The IFRS also include all the revised international accounting standards ("IAS"/"IFRS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").
With reference to the obligation to prepare the consolidated financial statements in XHTML format, it should be noted that pursuant to the exemption provided for in Article 83 of Regulation 11791/99 (issuers of debt securities with a unit value of at least Euro 100,000) AGSM AIM S.p.A. is not required to comply with the above requirement. This is also confirmed under Irish law, as per the specific legal opinion obtained.

Going concern

The recent political developments in Europe have created an uncertain economic environment, leading to fluctuations in energy market prices. This has required constant and systematic monitoring of corporate performance, with particular attention to analysing variances with respect to forecasts. This monitoring was formalised on 13 January 2025 through the approval of the model for the analysis and monitoring of suitable administrative and accounting arrangements and the guidelines for detecting signs of crisis pursuant to Article 3, Legislative Decree 14/2019.
The management analysed the management and financial indicators that did not reveal any risks linked to the ability of the AGSM AIM to operate on a going concern basis.
In consideration of the results for the year, which also include the impacts connected with the geopolitical situation, the management analysed the forecasts made with regard to possible future scenarios, including the effects of climate change as far as they can be foreseen, excluding any impairment in the various cash generating units (CGUs) in which it is organised, also in view of the existing considerable margins.
In particular, the potential impacts arising from physical climate changes (both chronic and acute), together with trends relating to the energy transition, have been taken into account by the company management to appropriately assess the effects on the Group's current and expected results – for example, in the construction of the scenarios used for the preparation of the current 2025–2031 Business Plan, approved in October 2024.
Based on the performance of activities, the joint analysis of the 2025-2031 Business Plan and the ability to access credit, the management believes that it is in a position to proceed with managing and developing activities without questioning its ability to operate as a going concern.
Consequently, these consolidated financial statements have been prepared on a going concern basis as it is reasonable to expect that the Group will continue to operate in the near future and, in any case, for at least twelve months, as set out in IAS 1.25-26.

Financial statement formats

These financial statements have been prepared on a historical cost basis, except for some financial instruments that are measured at fair value. Information about the financial statement formats applied, compared to those set out in IAS 1, and the method used to present cash flows in the statement of cash flows, compared to the provisions of IAS 7, is provided below.

- In the comprehensive income statement, costs are classified by nature based on a "graduated" classification. It is believed that this type of presentation, which is also used by the Group's principal competitors and is consistent with international practice, best represents the results of the business.
- The statement of comprehensive income comprises the profit or loss for the year and the income and expense, grouped by consistent categories, which, based on the IFRS, are allocated directly to equity.
- In the statement of financial position, current assets and current liabilities are presented separately from non-current assets and liabilities, respectively, in accordance with IAS 1.
- The columns of the statement of changes in equity reconcile the opening and closing balances of each equity caption.
- The statement of cash flows classifies cash flows by operating, investing and financing activities. Specifically, cash flows from operating activities are presented using the indirect method in accordance with IAS 7, whereby the profit or loss for the year is adjusted to reflect the effects of non-monetary transactions, prepayments and accrued income and accrued expenses or deferred income and revenue or cost items related to future cash flows from investing or financing activities.

Principles and scope of consolidation

The consolidated financial statements have been prepared on the basis of draft financial statements approved by the respective management bodies. The accounting standards described below have been consistently applied by all

Group companies. The financial statements have been modified, as necessary, to make them compliant with the Group accounting standards, which are in turn compliant with the IFRS adopted by the European Union.
The subsidiaries have been consolidated on a line-by-line basis since their acquisition date, or from the date when the Group gained control of them, and they are no longer consolidated from the date when control is transferred outside the Group.
All intra-group balances and transactions, including any unrealised profits and losses deriving from relationships between the AGSM AIM Group companies, have been completely eliminated.
The acquisitions of subsidiaries are recognised according to the purchase method. This requires allocation of the cost for the business combination at the fair value of the assets, liabilities and contingent liabilities acquired at the acquisition date, and inclusion of the loss or profit of the acquired company from the acquisition date until the end of the year.
The minority interests in profit or loss and equity represent the portion of profit or loss and equity pertaining to the net assets not owned by the Group. They are shown in a separate account of the consolidated statement of comprehensive income and the consolidated statement of financial position, separately from the profits or losses and equity of the Group.
The associates are those in which the Group owns at least 20% of the voting rights or where it exercises a significant influence, which is not control or joint control, over financial and operating policies. Equity investments in associates were measured using the equity method. The Group's share of profit or loss is recognised in the consolidated financial statements from the date on which the significant influence began and until the date when it ends.
The reporting date of the consolidated financial statements coincides with the closing date of the separate financial statements of the parent company and the consolidated companies.

As at 31 December 2024, the scope of consolidation, using the line-by-line consolidation method, was as follows:

- AGSM AIM ENERGIA SpA, 96.27% owned
- V-RETI SpA, 99.83% owned
- AGSM AIM SMART SOLUTIONS Srl, 100% owned
- AGSM AIM CALORE Srl, 100% owned
- AGSM AIM POWER Srl, 100% owned
- AGSM AIM Ambiente Srl, 100% owned
- AGSM HOLDING ALBANIA Sha (in liquidation), 75% directly owned and 25% indirectly (in liquidation)
- Valore Ambiente Srl, 100% owned
- CogasPiù Energia Srl, 60% indirectly owned
- Consorzio Industriale Canale G. Camuzzoni di Verona Scarl, 75% indirectly owned
- Parco Eolico Riparbella Srl, 63% indirectly owned
- Parco Eolico Carpinaccio Srl, 63% indirectly owned
- Juwi Development 02 Srl, 100% indirectly owned
- Juwi Development 08 Srl, 100% indirectly owned
- TRANSECO Srl, 100% indirectly held (merged into AGSM AIM AMBIENTE on 1 January 2025)
- SER.I.T Srl, 99.74% indirectly owned
- DRV Srl, 100% indirectly held (merged into AGSM AIM AMBIENTE on 1 January 2025)
- Società Igiene Territorio Srl, 100% indirectly owned
- ECO TIRANA Sha, 49% directly owned
- Società Intercomunale Ambiente Srl, 49% indirectly owned
- Bortoli Total Green Srl, 100% indirectly owned
- Agisco Srl, 51% indirectly owned
- Blue Oil Srl (in liquidation), 60% indirectly held

While, the company

- Green Hydrogen Venezia Srl, 50% indirectly held

was included in the scope of consolidation using the proportional method.

Accounting standards

Introduction

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and financial assets held for sale, which are recognised at fair value.
There are no held-to-maturity investments. Financial transactions are recognised at the trade date.
The accounting standards used to prepare the consolidated financial statements at 31 December 2024 have also been uniformly applied to all corresponding periods.
The amounts presented in the financial statements are shown in Euro, whilst in the notes they are shown in thousands of Euros, unless otherwise stated.

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, including direct charges necessary to bring the asset to use. Cost comprises the finance costs directly attributable to the acquisition, construction or production of the asset. Cost also includes the expected costs of dismantling and removing the asset and restoring it to its original condition if a contractual obligation exists.
The costs incurred for extraordinary maintenance and repairs are recognised directly when incurred. The costs to expand, renovate or improve the structural elements owned or used by third parties are capitalised solely to the extent that they meet the conditions for being classified separately as an asset or as part of an asset under the component approach.
The other costs that increase the value of assets are attributed to the non-current assets to which they refer, in accordance with IAS 16. They are depreciated according to the remaining useful life of the assets to which they refer. Expenses increasing the value of an asset are those that reasonably cause an increase in its future economic benefits, for example by extending its useful life, expanding production capacity, improving product quality and adopting production processes that substantially reduce production costs.
In accordance with Article 2426 Italian Civil Code, property, plant and equipment and assets under construction are recognised at their purchase and/or production cost, including directly attributable charges, while reducing the cost by the commercial and cash discounts of a significant amount.
For plants constructed internally, the cost of the materials used, the cost of labour for the personnel used, the related social security costs, the accruals to employee severance indemnities and the portion of internal services that can be reasonably attributed to them have been accounted for.
The depreciation charged to the income statement have been calculated according to the use, purpose, and useful life of the assets over their residual useful life.
Assets under construction comprise the direct costs incurred until 31 December 2024. The related depreciation begins from the date of entry into operation of each asset.
The expenses that increase the value of the assets, and the maintenance that results in a significant and tangible increase in production capacity or that lengthens the useful life of the assets are capitalised and generally increase the carrying amount of the related asset and are depreciated over the asset's residual useful life. Ordinary maintenance costs are expensed directly in the comprehensive income statement.
In regard to landfills, depreciation of the total cost incurred for their construction has been allocated in proportion to the volume occupied by the waste delivered to the landfill during the financial year with respect to its total authorised volume, or in proportion to the biogas produced if the receiving capacity has been exhausted.
Regardless of the depreciation that has already been recognised, if an item of property, plant and equipment is impaired, its carrying amount is reduced accordingly. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Leases

Right-of-use assets are recognised on the start date of the lease, i.e. the date on which the underlying asset is available for use.
Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, and adjusted for any restatement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made on or before the commencement of the lease. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.
Lease liabilities are recognised at the present value of lease payments not yet paid at the reporting date. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the option will be exercised.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance that can be controlled and from which future economic benefits are expected. They are initially recognised at purchase and/or development cost, including direct expenses necessary to bring the asset to use. Interest expense, if any, accrued during and for the development of intangible assets, are considered part of the acquisition cost. In particular, the following intangible assets can be identified in the Group. Intangible assets with a finite useful life are amortised over their useful life and are assessed whenever there are indications of impairment. Intangible assets that do not have a finite useful life are not amortised but tested annually instead for impairment.

a) Rights on assets under concession (IFRIC 12)

Under IFRIC 12, the infrastructure used in a public-to-private service concession arrangement will not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator must either recognise a financial asset to the extent that it has an unconditional contractual right to receive cash (or another financial asset from or at the direction of the grantor for the construction services) or recognise an intangible asset to the extent that it receives a right ('licence') to charge users of the public service. Based on the AGSM AIM Group's service concession agreements, the infrastructure used is recognised using the "intangible asset model". The "Rights on assets under concession" represent the Group's right to use the assets under concession of the Integrated Water Services, the Integrated Gas Services, and the Integrated Energy Services (the so-called intangible asset model), considering the fees and the costs of implementation, with the obligation to return the asset at the end of the concession.

b) Software and other intangible assets

Software and other intangible assets are recognised at cost, as described earlier, net of accumulated amortisation and impairment losses, if any. Amortisation begins when the asset is available for use and it is charged systematically over the residual period of benefit, that is, over the estimated useful life.

Impairment losses

At each reporting date, the Group checks whether there are any indications of impairment of intangible assets and property, plant and equipment. Both internal and external sources of information are used for this purpose. Internal sources include obsolescence or physical damage, significant changes in the use of the asset and the economic performance of the asset compared to estimated performance. External sources include the market value of the asset, changes in technology, markets or laws, trend in market interest rates and the cost of capital used to evaluate investments.
When indicators of impairment exist, the carrying amount of the assets is reduced to the recoverable amount and any impairment loss is recognised in profit or loss. The recoverable amount of an asset is the higher of fair value less costs to sell and its value in use, the latter being the present value of future cash flows estimated for the asset in question. In calculating the value in use, the expected future cash flows are discounted at current value using a pre-tax discount rate that reflects current market valuations of the time value of money, proportionate to the investment period, and the risks specific to the asset. For assets that do not generate largely independent cash flows, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
If the carrying amount of the cash-generating unit exceeds the recoverable amount, an impairment loss is recognised in profit or loss. The impairment loss is initially recognised as a deduction of the carrying amount of goodwill allocated to the cash-generating unit and then only applied to the other assets of the cash-generating unit in proportion to their carrying amount, up to the recoverable amount of the assets with a finite useful life. If the reasons that gave rise to an impairment loss no longer exist, the carrying amount of the asset is recognised again in profit or loss, up to the carrying amount that would have been recognised had no impairment loss been recognised and if normal amortisation/depreciation had been applied.

Trade receivables and other current and non-current assets

Trade receivables and other financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade receivables and other financial assets are included in current assets, except for those with a contractual due date beyond twelve months after the reporting date, which are classified as non-current assets.
Impairment losses on receivables are recognised when there is objective evidence that the Group will no longer be able to recover the receivables due from the counterparty based on the contract terms.
Objective evidence includes events such as:

- significant financial difficulties of the counterparty;
- legal disputes with the counterparty over the receivables;
- probability that the counterparty will declare insolvency or other financial restructuring procedure.

The impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows and is recognised in profit or loss. If, in subsequent years, the reasons for the impairment cease to exist, the carrying amount of the asset is reinstated up to the amount that would have been recognised had the amortised cost been applied.
The valuation of financial assets is carried out based on the credit loss valuation model in application of the simplified model of expected losses envisaged by IFRS 9. The amount to be set aside was determined using information that could be supported and was available at the end of the reporting period.
Financial assets, relating to non-derivative financial instruments, with fixed or determinable payments and fixed maturity dates, which the Group intends and has the ability to hold until maturity, are classified as "held-to-maturity investments". Such assets are measured at amortised cost using the effective interest method, adjusted by impairment losses, if any. Whenever there are impairment losses, the same policies as described above for loans and receivables are applied.

Available-for-sale financial assets, including investments in other companies representing available-for-sale assets, are measured at fair value, if determinable. Changes in fair value are recognised directly in an equity reserve in other comprehensive income until they are disposed of or impaired, at which time they are reversed to profit or loss. Other unlisted investments classified as "available-for-sale financial assets" whose fair value cannot be measured reliably are measured at cost adjusted by any impairment losses, which are recognised in consolidated profit or loss, as required by the new standard IFRS 9.

Equity investments

Equity investments in associates and joint ventures are recognised using the equity method. Under this method, the equity investment in an associate or a joint venture is initially recognised at cost, and the carrying amount is increased or decreased to reflect the investor's share of the profit or loss of the investee after the date of acquisition. Goodwill relating to an associate or a joint venture is included in the carrying amount of the equity investment and, as it is not separately recognised, it is not tested for impairment separately. Other equity investments are measured at cost.

Inventories

Raw materials, supplies and finished products are recognised at the lower of their purchase or manufacturing cost and their realisable value based on market trends, by applying the weighted average cost method.
The resulting amount is subsequently adjusted through the specific "provision for inventory obsolescence", to account for the goods whose realisable value is expected to be less than their cost.
Gas in stock is measured at the lower of the weighted average purchase price and market value.
Contract work in progress whose duration falls within the year is measured according to the costs incurred as documented in the progress reports.
Long-term contract work in progress is recognised based on the consideration paid.

White Certificates (Energy Efficiency Certificates – EEC)

The Group holds Energy Efficiency Certificates ("EEC") exclusively for its own use, i.e. to cover its own requirements ("Industrial Portfolio"), while it does not own units/certificates for trading purposes ("Trading Portfolio").
The EEC held for own use ("Industrial Portfolio") purchased to cover its own needs (determined according to its obligations that have accrued at the end of the year) are recognised as current assets at fair value according to their estimated realisable value.
Moreover, a "Provision for Liabilities" is recognised by measuring the EEC yet to be purchased (to meet annual obligations) as the difference between the value of the contribution and the market value of the EEC. The accruals are recognised under "Other operating costs".

Cash and cash equivalents

Cash and cash equivalents include the cash on hand and positive balances on current bank accounts not subject to restrictions or constraints. These items are shown at their face value.

Accruals and Deferrals

They are determined on an accrual basis and in application of the matching principle. The conditions that led to the original recognition of long-term items have been checked, while making any changes, as necessary.

Grants related to plants

The grants related to assets made by various entities have been counted since 2006 towards a reduction in the non-current assets when the same grant directly refers to a plant. Previously, the grants related to plants were recorded under deferred income and recognised in the income statement in the same ways used to calculate depreciation of the assets to which they referred. Therefore, net depreciation is calculated on the capital assets affected by the grant, while deferred income is still used for the grants already accounted for in the years before 2006, which are counted towards annual income according to an annual instalment corresponding to the amount of the depreciation for the associated assets.

Financial liabilities, trade payables and other liabilities

Financial liabilities (other than derivative financial instruments), trade payables and other liabilities are initially recognised at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost applying the effective interest rate method. If there is a change in the expected cash flows, which can be reliably determined, the liabilities are recalculated to reflect this change. Financial liabilities are classified as current liabilities, unless the Group has the unconditional right to defer payment for at least twelve months after the reporting date.
Financial liabilities are derecognised at the time of their settlement and when the Group has transferred all the risks and charges relating to the instrument.

Derivatives

Financial derivatives are assets and liabilities recognised at fair value. The group uses financial derivatives to hedge interest rate and commodity risks. The Group uses financial derivatives to hedge interest rate and commodity price risks.

In accordance with the provisions of IAS 39, financial derivatives qualify for hedge accounting only if:

- at the time that the hedge is established there is a formal designation and the hedging relationship is documented;
- the hedge is deemed highly effective;
- the effectiveness can be reliably measured;
- the hedge is highly effective during the different accounting periods for which it is designated.

When derivatives qualify for hedge accounting, the following accounting treatments are applied:

- if the derivatives hedge the risk of fluctuations in the fair value of the hedged assets or liabilities (fair value hedge; e.g., hedging fluctuations in the fair value of fixed-rate assets/liabilities), they are measured at fair value through profit or loss; accordingly, the hedged assets and liabilities are adjusted to reflect changes in fair value associated with the hedge risk;
- if the derivatives hedge the risk of fluctuations in the cash flows of the hedged assets or liabilities (cash flow hedge; e.g., hedging fluctuations in the cash flows of assets/liabilities caused by fluctuations in interest rates), changes in the fair value of derivatives are initially recognised in equity and subsequently transferred to profit or loss based on the income effects of the hedged transactions.

If hedge accounting cannot be applied, the gains or losses resulting from the measurement at fair value of the derivatives are immediately recognised in profit or loss.

Employee benefits

Short-term benefits are represented by wages and salaries, social security, indemnities in lieu of holidays and incentives in the form of bonuses payable in the twelve months after the reporting date. Such benefits are recognised under personnel costs in the period in which their services are rendered.
Post-employment benefits are divided into two categories: defined contribution plans and defined benefit plans.
In defined contribution plans, contribution costs are charged to profit or loss when incurred, based on their nominal amount.
In defined benefit plans, which include employee severance indemnities governed by article 2120 of the Italian Civil Code ("TFR"), the amount of the benefit to be paid is quantifiable only after termination of employment, and associated with one or more factors such as age, the years of service and remuneration. The related cost is recognised in the comprehensive income statement based on actuarial calculations. The liability recognised for defined benefit plans is the present value of the obligation at the reporting date. The defined benefit plan obligations are determined annually by an independent actuary using the projected unit credit method. The present value of defined benefit plans is determined by discounting future cash flows at an interest rate equal to high-quality corporate bonds issued in Euro which take into account the period of the related pension plan. With reference to the Group, this category includes the employee severance indemnities accrued as at 31 December 2006 (or at the date selected by the employee when the option to make contributions to supplementary pension funds is chosen), and the rate discounts given to former employees.
Starting from 1 January 2007, Finance Law 2007 and the related implementing decrees introduced amendments concerning the TFR. The amendments include the decision of employees as to the destination of their accruing TFR. In particular, new flows of TFR can be allocated by the employee either to selected pension funds or maintained in the company. In the case of selected pension funds, the defined contribution will be paid to the fund and, starting from such date, the new amounts accrued become defined contribution plans not subject to actuarial measurement.
Defined benefit plans also include the rate discounts that the Company provides to former employees. These discounts also entail assessments which adequately consider when the related services will be provided and, accordingly, the need to calculate them using average present values.
Changes in actuarial gains and losses are recognised in OCI in accordance with IAS 19 Revised.

Provisions for risks and charges

Provisions for risks and charges are set up to cover losses or liabilities whose existence is certain or probable but that at the end of the reporting period are uncertain as to amount or as to the date on which they will arise. Provisions are recognised only when there is a current obligation (legal or constructive) for a future outflow of resources deriving from a past event and it is probable that the outflow will be necessary to fulfil the obligation. This amount represents the best estimate of the present value of expenditures required to settle the obligation. If the effect of the time value is material, and the payment date of the obligations can be reasonably estimated, the provisions to be accrued are equal to the present value of the expected outflow, using a rate that reflects market conditions, the change in the time value of money and the risks specific to the obligation. The increase in the provision due to changes in the time value of money is recognised as interest expense.

Revenue recognition

Revenues and income are recognised net of returns, discounts and rebates, as well as taxes directly related to the sale of products and the provision of services. They are split between revenues from operating activities and financial income accruing between the date of sale and the date of payment.
In particular:
▪ revenues from the sale of energy, gas and heat are recognised and accounted for at the time of delivery and include the provision for deliveries made but not yet invoiced (estimated on the basis of historical analyses determined in relation to past consumption);

▪ revenues for distribution are recognised on the basis of the tariffs recognised by the Authority and are subject to equalisation at the end of the financial year to reflect, on an accrual basis, the remuneration recognised by the Authority for the investments made;
▪ revenues are recognised when (or gradually as) the relevant obligation is fulfilled, by transferring the promised goods or services to the customer. The transfer occurs when (or gradually as) the customer acquires control of the goods or services. The recognised revenue corresponds to the price attributed to the relevant obligation that is measured. Revenues are only recognised if it is considered probable that the relevant amount will be received for the goods or services transferred to the customer.

Cost of goods purchased and services performed

Purchases of goods and the performance of services are recognised in profit or loss on an accrual basis.

Income taxes

Current taxes are calculated based on the taxable income for the year, applying the current tax rates at the reporting date.
Deferred taxes are calculated for all differences emerging between the tax base of an asset or liability and the respective carrying amount. Deferred tax assets, not offset by deferred tax liabilities, are recognised to the extent that it is likely that future taxable income will be available against which they may be recovered. Deferred tax liabilities are determined using the tax rates that are expected to apply in the periods in which the differences will be realised or extinguished, based on the tax rates in force or substantially in force at the reporting date.
Current and deferred taxes are recognised in the comprehensive income statement, except for those related to items taken directly to equity, in which case the related tax impact is also recognised directly in equity. Taxes are offset when they are levied by the same tax authority and there is a legal right to offset.

Non-current assets held for sale, disposal groups and discontinued operations – IFRS 5

Non-current assets held for sale (disposal group) and discontinued operations whose book value will be recovered mainly through sale rather than through continuous use, are valued at the lower between their net carrying amount and their fair value less costs to sell: any difference between the carrying amount and the fair value less any costs to sell is recognised in the Income Statement.
In accordance with the IFRS, the data relating to non-current assets held for sale and discontinued operations are presented in two specific items in the Statement of Financial Position: assets held for sale and liabilities directly associated with assets held for sale.
With exclusive reference to discontinued operations, the net economic results achieved by them during the sale process (including any capital gains/losses deriving from the sale itself) and the corresponding comparative data of the previous year are presented in a specific item in the Income Statement: net result from discontinued activities or those destined to be sold.

New accounting standards

The accounting standards adopted to prepare the financial statements are consistent with those used to prepare the financial statements at 31 December 2023, except for the adoption of the new standards, amendments and interpretations in force from 1 January 2024.

Standards, interpretations, amendments and improvements required for the 2024 financial statements

<u>IFRS 16 Sale and leaseback</u>
A new paragraph was introduced to the standard which concerns the method used by a selling lessee to assess the assets and liabilities recorded following a sale and leaseback transaction. In particular, it is required that the “revised lease payments” are recorded in such a way as not to generate any impact on the profit (or loss) relating to the right of use retained by the seller-lessee himself. This amendment did not have any impact on the financial position and performance.

<u>IAS 1 Presentation of financial statements (current and non-current liabilities)</u>
Already in 2020, the IASB had issued further amendments to IAS 1, aimed at better defining the classification of liabilities as current or non-current. These changes could have a significant impact on many entities, with the effect of having more liabilities classified as current (e.g. loan covenants). This amendment did not have any impact on the financial position and performance.

<u>IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments</u>
The characteristics of supply finance arrangements have been clarified and additional disclosures regarding such arrangements are required. The disclosure requirements introduced are intended to assist users of the financial statements in understanding the effects of supply finance arrangements on an entity’s liabilities and cash flows and its exposure to liquidity risk. This amendment did not have any impact on the financial position and performance.

New standards and amendments issued by the IASB that are not mandatory for the preparation of the 2024 IFRS financial statements

The following amendments are effective for the annual period beginning on 1 January 2025:
• Lack of exchangeability (Amendments to IAS 21 Effects of Changes in Foreign Exchange Rates)

The following amendments are effective for the annual period beginning on 1 January 2026:
• Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)

The following amendments are effective for the annual period beginning on 1 January 2027:
• IFRS 18 Presentation and Disclosure in Financial Statements
• IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Company is currently considering the effect of these new accounting standards and amendments.

Pillar Two disclosure for the consolidated financial statements

With regard to the introduction of the tax regime known as Pillar Two, the following disclosure is provided in relation to the AGSM AIM Group (the "**Group**").
In 2021, over 135 countries (the Inclusive Framework on Base Erosion and Profit Shifting, or simply the Inclusive Framework) reached an agreement on an international tax reform that introduces a global minimum tax ("Global Minimum Tax" or "GMT") for large multinational enterprises. In particular, these countries reached a political agreement on a model of international taxation based on two pillars, aimed at addressing certain tax issues arising from the digitisation of the economy. The second of these pillars ("Pillar Two") introduces the above-mentioned Global Minimum Tax.
Within the European Union, on 12 December 2022, the Council subsequently adopted a directive (Directive (EU) 2022/2523) introducing this Global Minimum Tax into the EU legal framework. The directive established a minimum effective tax rate of 15% for domestic and multinational groups with consolidated revenue in excess of Euro 750 million per year, applicable for annual periods beginning after 31 December 2023. Several non-EU countries have also implemented similar rules, based on the Inclusive Framework.
The Italian legislature transposed Directive (EU) 2022/2523 through Legislative Decree 209/2023, introducing three related mechanisms: (i) the Income Inclusion Rule ("IIR"), payable by parent entities located in Italy in relation to foreign group companies subject to low taxation; (ii) the Undertaxed Profits Rule ("UTPR"), payable by one or more members of a multinational group located in Italy, in relation to the profits of group companies not controlled by them and subject to low taxation, where a sufficient IIR has not been applied in the countries of the parent entities; and (iii) the Qualified Domestic Minimum Top-Up Tax ("QDMTT"), payable in relation to low-taxed group companies located in Italy.
To address the financial reporting aspects connected to the significant changes arising from the introduction of the Global Minimum Tax by so many countries, the IASB subsequently published an amendment to IAS 12. The changes introduce a mandatory temporary exception whereby no deferred tax may be recognised that would arise from the implementation of Pillar Two in the relevant countries. This exception, which the Group has also applied to this disclosure, is immediately applicable and has retrospective effect. The above-mentioned amendment also requires disclosure of any potential impacts on the financial position and financial performance.
Given these complex new requirements, the Group (which falls within the scope of the GMT) is currently working to implement the necessary internal procedures to manage compliance with the Pillar Two regime as effectively and efficiently as possible, for both the Italian and foreign operations.
In this context, analyses have been carried out to estimate whether the requirements are met, in the jurisdictions where the Group operates, for applying the Safe Harbour transitional simplified regimes (as governed in Italy by the Ministerial Decree of 20 May 2024), which – if met – would exempt the Group from the more complex regime and reduce any potential top-up tax to zero.
Specifically, analyses were carried out to estimate whether a GMT was due, in certain jurisdictions, in relation to the results achieved in the financial year ended 31 December 2023. These analyses determined that in 2023 the requirements for the application of the simplified transitional regime were met in all the jurisdictions where the Group operates and, therefore, no GMT would have been due in those jurisdictions if the rules had already been in force.
In addition, a preliminary assessment based on the data as at 31 December 2024 shows that the conditions for applying the Safe Harbour transitional simplified regimes have been met for Italy. For Albania, on the other hand, these conditions may not have been met, although, even if this is the case, the full implementation of Pillar Two should not result in any top-up tax.

Non-recurring significant transactions

AGSM AIM SpA is the holding company of the AGSM AIM Group. Effective during the year 2024, the following corporate reorganisation and simplification operations took place:

- on 14 March 2024, Green Hydrogen Venezia Srl was established, with a 50% shareholding held by AGSM AIM Power Srl;
- on 24 June 2024, AgiSco Srl was established, with a 51% shareholding held by AGSM AIM Smart Solutions Srl;

- on 19 November 2024, the AGSM AIM Foundation was established, with its entire endowment capital paid in by AGSM AIM S.p.A.;
- on 17 December 2024, AGSM AIM Calore Srl acquired a 45% shareholding in Geotermia Triveneta Srl;
- on 19 December 2024, AGSM AIM Power Srl acquired full ownership of the entire share capital of Bortoli Total Green Srl.

The restructuring of the Environment Business Unit also continued, which included the following transactions:

- with effect from 1 January 2024, TRE V Srl was merged by incorporation into TRANSECO Srl;
- on 24 January 2024, AGSM AIM S.p.A. approved a partial demerger with the transfer of assets to AGSM AIM Ambiente Srl; the transaction was suspended and not yet completed as at 31 December 2024;
- on 7 February 2024, AGSM AIM Ambiente Srl sold its holding in Bovolone Attiva Srl, corresponding to 40% of its share capital, to third parties;
- on 4 April 2024, AGSM AIM SpA acquired the shares of Eco Tirana from Holding Albania Sha in liquidation;
- on 22 April 2024, Società Igiene Territorio S.p.A. changed its legal form from a joint stock company to a limited liability company, and consequently changed its name to Società Igiene Territorio Srl;
- On 18 November 2024, the merger by incorporation of TRANSECO Srl and DRV Srl into AGSM AIM AMBIENTE Srl was approved effective from 1 January 2025.

The transactions described above were aimed at completing the reorganisation process of the Group that began in the previous period and at developing synergies and integrations to improve positioning in the Group's businesses through the enhancement of the individual sector companies of their brands and territorial coverage.

2 Notes to the Consolidated Statement of Financial Position

Non-current assets

2.1 Intangible assets

The following table shows the amount of "Intangible Assets" as at 31 December 2023 and 2024 and the related changes.

Net value 2023	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks, and similar rights	Assets under concession	Intangible assets under development	Other	Total
Opening Balance	9	6,092	22,900	312,072	689	77,424	419,186
Investments	-	3,250	130	31,211	2,559	763	37,913
Disposals and Sales	-	(2)	(664)	(514)	-	(536)	(1,716)
Change in scope	-	-	-	-	1,641	1,572	3,213
Reclassifications	-	646	3	50	(718)	43	24
Amortisation and depreciation	(5)	(3,191)	(1,816)	(21,931)	-	(4,513)	(31,456)
Other changes	-	1,029	-	(1,391)	-	317	(46)
Closing Balance	**4**	**7,823**	**20,553**	**319,497**	**4,171**	**75,070**	**427,117**

Net value 2024	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks, and similar rights	Assets under concession	Intangible assets under development	Other	Total
Opening Balance	4	7,823	20,553	319,497	4,171	75,070	427,117
Investments	48	5,591	5	34,070	7,981	1,356	49,051
Disposals and Sales	-	-	-	-	(49)	-	(50)
Extraordinary transactions	-	-	-	-	-	94	94
Change in scope	-	-	-	-	44	1	45
Reclassifications	8	1,100	-	63	(4,152)	11	(2,971)
Amortisation and depreciation	(5)	(3,765)	(1,813)	(22,308)	-	(8,896)	(36,787)
Impairment	-	-	-	-	-	(44)	(44)
Closing Balance	**54**	**10,749**	**18,744**	**331,322**	**7,995**	**67,592**	**436,457**

Intellectual property rights of Euro 10,749 thousand refer to software costs. The increase recorded during 2024, amounting to Euro 5,591 thousand, was mainly attributable to the installation and implementation of the new SAP4H management system. This item is amortised over 5 years.
The item concessions-licences-trademarks and assets under concession, amounting jointly to Euro 350,066 thousand, mainly relates to the valuation of the concessions for: the distribution of water services granted by the Municipalities of Verona and Vicenza; the distribution of gas, mainly granted by the Municipalities of Verona, Vicenza and Treviso; and the distribution of electricity granted by the Municipality of Vicenza. This relates to infrastructure used in public-to-private service concession agreements, accounted for in accordance with IFRIC 12. The increases for the year mainly refer to investments in the gas sector in various locations and in electricity for the Vicenza area.

Assets under construction and advances amount to Euro 7,995 thousand and mainly concern installation and configuration of the new customer management system purchased in 2024, due to come into operation in January 2026.
The item "Other", amounting to Euro 67,575 thousand, mainly includes costs for the acquisition of surface rights and the establishment of easements on the land on which the wind and photovoltaic plants are located, and improvements on the upgrading to third-party systems and public lighting systems in the Municipalities of Padua and Belluno.

Impairment test on rights on assets under concession (IAS 36)

The Group performed an impairment test to evaluate the existence of possible reductions in value of the amounts recognised as rights on assets under concession. The test was performed by comparing the carrying amount of the asset or group of assets included in the cash generating unit (CGU) with the recoverable amount of that asset or group of assets, calculated as the higher of the fair value (net of any costs to sell) and the value of the net expected cash flows of the asset or group of assets included in the CGU (value in use).
For the impairment test, the Group used the cash flows for the concession period obtained from the 2025-2031 Plan approved by the Board of Directors in October 2024, and the residual value of the assets realised during the concession period that the Group expects to obtain at the end of the Concession.
This plan (below "2025-2031 economic plan") constituted the reference for the determination of costs and revenue within the independent expert's assignment. The impairment test is based on the assumptions described in more detail in the paragraph below on goodwill.

Business Unit	WACC	Ke	Kd
Sales	7.2 p.c.	8.8 p.c.	3.6 p.c.
Trading	7.2 p.c.	8.8 p.c.	3.6 p.c.
Generation	6.9 p.c.	8.4 p.c.	3.6 p.c.
Green&Ren. Energy	5.4 p.c.	6.3 p.c.	3.6 p.c.
Hydrogen	7.1 p.c.	8.7 p.c.	3.6 p.c.
TLR-COG	7.2 p.c.	8.8 p.c.	3.6 p.c.
Electricity Distribution	6.3 p.c.	7.6 p.c.	3.6 p.c.
GAS Distribution	6.3 p.c.	7.6 p.c.	3.6 p.c.
ENVIRONMENT	7.0 p.c.	8.6 p.c.	3.6 p.c.
IP-TLC	6.3 p.c.	7.6 p.c.	3.6 p.c.
Water	5.2 p.c.	5.9 p.c.	3.6 p.c.

2.2 Property, plant and equipment

A breakdown of the item "Property, plant and equipment" as at 31 December 2024 is provided below with the relevant changes.

Historical cost	Land and Buildings	Plant and machinery	Transferable works	Industrial and commercial equipment	Other assets	Right-of-use assets	Property, plant and equipment under development	Total
Opening Balance	192,238	877,321	53,809	42,180	64,612	16,448	52,209	1,298,817
Investments	726	45,691	328	4,694	1,617	644	32,846	86,544
Disposals and Sales	(1,370)	(7,593)	-	(3,483)	(882)	(313)	-	(13,642)
Extraordinary transactions	-	103	-	-	166	-	-	269
Change in scope	62	39	-	-	-	-	-	100
Reclassifications	217	8,276	(6,891)	777	7	(217)	(6,551)	(4,381)
Impairment	-	(66)	-	(106)	-	-	-	(171)
Other changes	-	42	-	-	-	-	-	42
Foreign exchange difference	50	600	-	5	-	-	-	655
Closing Balance	**191,923**	**924,413**	**47,246**	**44,066**	**65,519**	**16,562**	**78,504**	**1,368,234**

The investments mainly include:
- electricity distribution activities, relating to the increase and renewal of the HV/MV plants and the low and medium voltage distribution networks and associated remote monitoring in the Verona area;

- electricity production, principally for work carried out on cogeneration plants (mainly the ongoing revamping of the Borgo Trento plant) and renewable energy plants (wind and photovoltaic);
- public lighting initiatives, including the installation of new low-consumption lighting equipment;
- electricity metering operations relating to the ongoing mass replacement of 1G electronic meters with new-generation 2G meters;
- environmental sector activities, mainly for costs relating to the repowering of the Cà del Bue anaerobic waste management plant, waste collection vehicles, and telecommunications (equipment, ducts, and fibre optics);
- the district heating network;
- the installation of electric vehicle charging stations;
- work on buildings and appurtenances at the various company premises.

The changes during the year with respect to accumulated depreciation are shown below.

Accumulated Depreciation	Land and buildings	Plant and machinery	Transferable works	Industrial and commercial equipment	Other assets	Right-of-use assets	Total
Opening Balance	86,880	582,919	43,751	29,801	56,230	12,879	812,461
Disposals and Sales	(639)	(6,308)	-	(3,170)	(836)	(242)	(11,195)
Reclassifications	-	(2)	(6,891)	(7)	(235)	(217)	(7,352)
Amortisation and depreciation	4,320	28,704	1,139	3,253	2,518	1,863	41,798
Foreign exchange difference	2	267	-	2	-	-	270
Closing Balance	**90,564**	**605,580**	**37,999**	**29,878**	**57,677**	**14,284**	**835,982**

The net changes as at 31 December 2024 and 2023 of the individual items belonging to property, plant and equipment are detailed below.

Net value 2023	Land and Buildings	Plant and machinery	Transferable works	Industrial and commercial equipment	Other assets	Right-of-use assets	Assets under construction	Total
Opening Balance	105,634	286,218	10,947	10,418	8,261	4,536	29,655	455,668
Investments	3,133	32,910	328	4,421	2,602	1,229	30,955	75,578
Disposals and Sales	(73)	(4,112)	-	(175)	(81)	(182)	(3)	(4,626)
Extraordinary transactions	-	(338)	-	199	113	-	-	(27)
Change in scope	-	250	-	145	3	(531)	531	399
Reclassifications	967	7,044	-	253	112	-	(8,397)	(20)
Amortisation and depreciation	(4,367)	(27,675)	(1,217)	(2,884)	(2,665)	(2,013)	-	(40,822)
Other changes	16	(263)	-	1,489	(1,454)	-	-	(212)
Foreign exchange difference	47	368	-	1	-	-	-	417
Closing Balance	**105,358**	**294,401**	**10,058**	**13,867**	**6,891**	**3,039**	**52,741**	**486,356**

Net value 2024	Land and Buildings	Plant and machinery	Transferable works	Industrial and commercial equipment	Other assets	Right-of-use assets	Assets under construction	Total
Opening Balance	105,358	294,401	10,058	12,379	8,381	3,569	52,209	486,356
Investments	726	45,691	328	4,694	1,617	644	32,846	86,544
Disposals and Sales	(731)	(1,285)	-	(313)	(46)	(71)	-	(2,447)
Extraordinary transactions	-	103	-	-	166	-	-	269
Change in scope	62	39	-	-	-	-	-	100
Reclassifications	217	8,278	-	784	242	-	(6,551)	2,971
Amortisation and depreciation	(4,320)	(28,704)	(1,139)	(3,253)	(2,518)	(1,863)	-	(41,798)
Impairment	-	(66)	-	(106)	-	-	-	(171)
Other changes	-	42	-	-	-	-	-	42
Foreign exchange difference	48	333	-	3	-	-	-	384
Closing Balance	**101,359**	**318,833**	**9,246**	**14,188**	**7,843**	**2,278**	**78,504**	**532,252**

Land and buildings amounted to Euro 101,359 thousand net of accumulated depreciation of Euro 90,564 thousand. This item mainly refers to the corporate offices and appurtenances of the Parent Company, in addition to the land and buildings of the power generation plants (thermoelectric, hydroelectric, cogeneration and renewable), the buildings that are part of the Cà del Bue plant, and the walls of primary and secondary electricity substations.
Plant and machinery amounted to Euro 318,833 thousand, net of accumulated depreciation of Euro 605,580 thousand. This item mainly includes machinery relating to power stations and electricity production plants (thermoelectric, hydroelectric, wind, and photovoltaic), transmission lines, and electricity distribution plants and networks, as well as public lighting, district heating pipelines, electricity metering devices, equipment located in electrical substations, specific installations for waste treatment, and the fibre optic cables installed in urban networks.
During the year, the item "Plant and machinery" recorded new investments amounting to Euro 45,691 thousand. The main investments relate to high-, medium- and low-voltage electric plants and networks, installation of new-generation 2G electricity meters, commissioning of three new photovoltaic plants (located in Augusta, Borgonovo and Calendasco), waste treatment plants, refurbishments of public lighting installations and networks in the town of Verona and other municipalities, as well as ordinary extensions and renewals of public lighting networks, and upgrades and renewals at electricity generation plants.
Reclassifications mainly include the portion of assets under construction in 2023 which became operational in 2024.
Net disposals of plant and machinery amount to Euro 1,285 thousand and mainly relate to the disposal and replacement of electrical installations and medium and low voltage electricity lines and the disposal of electricity meters following the massive replacement campaign of 1G type meters with the more modern 2G type.
The transferable works, which total Euro 9,246 thousand net of accumulated depreciation of Euro 37,999 thousand, refer to the plants granted for temporary use to the Group to be assigned free of charge to the State upon expiry of the concession. Transferable works are: the hydroelectric plant of Belfiore (VR), the hydroelectric power plant of Ala (TN), the Speccheri dam (TN), the Busa (TN) lifting plants, the Toldo dam (TN), the Stedileri (TN) reservoir, the San Colombano power plant (TN) and the hydroelectric plants in use by Consorzio Canale Industriale G. Camuzzoni di Verona Scarl. These plants were depreciated based on the residual duration of the concessions.
Industrial and commercial equipment amounts to Euro 14,188 thousand net of accumulated depreciation of Euro 29,878 thousand and mainly includes fixed and movable equipment, work machinery, electric vehicle charging stations, equipment and sundry instrumentation.
Other assets amounted to Euro 7,843 thousand net of accumulated depreciation of Euro 57,677 thousand and included lorries and motor vehicles, office furnishings and equipment, personal computers, electronic and office machinery.
Right-of-use assets mainly include leased properties and fleet cars and leased vehicles used in urban health services, accounted for using the financial method in accordance with IFRS 16 - Leases.
Assets under construction amounting to Euro 78,504 thousand mainly relate to the revamping of the anaerobic digestion section of the Cà del Bue solid urban waste treatment plant for Euro 18,893 thousand, to the costs for the design, construction and preparatory work for the repowering of the Cricoli and Borgo Trento cogeneration plants (Euro 1,336 thousand and Euro 22,673 thousand, respectively), and to studies, designs and works relating to the renewals and construction of new wind farms and photovoltaic plants for the production of renewable energy for Euro 13,536 thousand, in addition to the various works on the high, medium and low voltage electricity distribution and measurement plants and waste treatment plants.

2.3 Goodwill

The breakdown of "Goodwill" as at 31 December 2024 and the changes that have occurred compared to 31 December 2023 are shown below:

	Goodwill
Opening Balance	53,046
Investments	134
Other changes	(195)
Closing Balance	**52,985**

In 2024, there were increases totalling Euro 134 thousand.
Goodwill refers to business combinations, which were recognised in accordance with IFRS 3 "Business Combinations". As regards the initial amount of Euro 53,046 thousand, this includes the amount attributable to the business combination made on 1 January 2021 and accounted for according to the Purchase Price Allocation (PPA) process for the part not specifically attributable to the acquired assets, in addition to previous values of goodwill acquired for consideration.

An impairment test was conducted on this value, in line with IAS 36 with the support of an independent expert, in order to check that it did not exceed its recoverable amount, calculated for each single Cash Generating Unit ("CGU"). The recoverable amount of a CGU (or set of CGUs) is the higher value between fair value, less costs to sell, and the value in use. "Fair value" means the value determined by reference to the best available information to reflect the amount obtainable from the disposal of the CGU in a free transaction between aware and willing parties. "Value in use" refers to the current value of the estimated future cash flows, which are assumed to derive from the continuous use of the CGU and its disposal at the end of its useful life.

For the financial statements, the recoverable value of goodwill was defined with respect to value in use and was calculated for each of the CGUs to which this goodwill is attributable. The value in use of each CGU was estimated using the Discounted Cash Flow ("DCF") method by discounting the operating cash flows generated by the assets at a discount rate representative of the weighted average cost of capital (WACC). To determine the value in use, the cash flows generated by each CGU were used. These were assessed by management based on reasonable and supportable assumptions, reflecting the value of the CGU under its current conditions and from the perspective of maintaining normal business operations, as set out in the 2025–2031 business plan approved by management in October 2024. The plan integrates forward-looking assumptions, including the expected effects arising from risks associated with climate change.
This plan reflects updated scenarios consistent with the current dynamics of the energy and environmental transition, including the main macroeconomic, sectoral, and environmental variables relevant to the generation of future cash flows, such as projected energy prices, average temperatures, precipitation, expected production from renewable sources, and other climate indicators. In particular, the integration of these factors covered all the exposed Business Units, such as market, generation, heat, environment, and smart, together with the distribution networks.
The independent expert appointed for the valuation process fully adopted this plan as the basis for the preparation of the valuation models, explicitly considering the risks associated with climate change as these were already incorporated in the underlying forecast assumptions. Consequently, these risks were assessed and reflected in the impairment tests using the company projections, without the need for further adjustments or specific simulations.
The information taken from the 2025-2031 economic plan constituted the reference for the determination of costs and revenue within the independent expert's assignment.
The Plan is based on the group line that aims to offer integrated services that encompass the north-eastern area of the Italian territory (mainly the Municipalities of Vicenza, Verona, Treviso and neighbouring areas) and in particular features initiatives based on sustainability, which has been placed as the main driver of the Group's growth strategy. The investment plan will be aimed at production plants from renewable sources, development of the circular economy, improvements to district heating efficiency, renewal and digitisation of electricity and gas networks, expansion of the commercial offer of smart and innovative services, improvement in service quality.

For the sole purpose of the impairment test, the assigned independent expert, among other things: a) analysed the relevant components and assumptions of the economic and financial projections drawn up by the Company's management, carried out comparisons and checks on the correctness of the sources and assumptions used; b) carried out the estimation of the discount rate consistent with the cash flows considered, i.e. the post-tax weighted average cost of capital (WACC), estimated, according to criteria widely used in the valuation practice and in line with last year's impairment exercise in order to reflect current market assessments with reference to the current value of money, country risk and specific risks related to the activity; c) made changes to the flows deriving from the Plan, which was appropriately normalised to exclude the impacts deriving from non-repeatable energy scenarios over the years and their impacts on NWC and NFP; d) estimated the residual value considering a growth rate beyond the plan horizon, identified for each CGU, consistent with the expectations of business development.

The table below summarises the valuation assumptions underlying the impairment test:

Business Unit	WACC	Ke	Kd
Sales	7.2 p.c.	8.8 p.c.	3.6 p.c.
Trading	7.2 p.c.	8.8 p.c.	3.6 p.c.
Generation	6.9 p.c.	8.4 p.c.	3.6 p.c.
Green&Ren. Energy	5.4 p.c.	6.3 p.c.	3.6 p.c.
Hydrogen	7.1 p.c.	8.7 p.c.	3.6 p.c.
TLR-COG	7.2 p.c.	8.8 p.c.	3.6 p.c.
Electricity Distribution	6.3 p.c.	7.6 p.c.	3.6 p.c.
GAS Distribution	6.3 p.c.	7.6 p.c.	3.6 p.c.
ENVIRONMENT	7.0 p.c.	8.6 p.c.	3.6 p.c.
IP-TLC	6.3 p.c.	7.6 p.c.	3.6 p.c.
Water	5.2 p.c.	5.9 p.c.	3.6 p.c.

The valuation method also included a sensitivity analysis on the valuation parameters used and, in particular, the threshold levels of the impairment test value. Where possible, with reference to regulated businesses, a comparison was also made with the parameters indicated by Arera. The difference between the value in use and the operating net invested capital at the reporting date was compared with the carrying values of goodwill in the Group's consolidated financial statements. Consistent with the indications in IAS 36, management will monitor the evolution of macroeconomic and geopolitical conditions and any other impairment indicator, promptly transposing the changes in the value of CGUs.

2.4 Equity investments

The breakdown of "Equity investments" as at 31 December 2024 and the changes that have occurred compared to 31 December 2023 are shown below:

Equity investments	Opening balance	Investments	Revaluations (Write-downs)	Disposals and sales	Other changes	Closing Balance
Subsidiaries						
Torretta Rijeka d.o.o.	32	-	-	(32)	-	-
Total	**32**	**-**	**-**	**(32)**	**-**	**-**
Associates						
Geotermia Triveneta Srl	-	1,300	-	-	-	1,300
Consorzio GPO	10,010	-	-	-	-	10,010
Legnago Servizi Spa	1,482	-	521	-	-	2,002
SI.VE Srl	385	-	41	-	-	426
Total	**11,877**	**1,300**	**562**	**-**	**-**	**13,738**
Other companies						
Agrilux	2,492	-	-	-	-	2,492
Parco Eolico Monte Vitalba	161	-	-	-	-	161
ICQ Holding Spa	229	-	-	-	-	229
Other equity investments	157	-	-	-	(18)	139
Total	**3,039**	**-**	**-**	**-**	**(18)**	**3,021**

Equity investments in associates are measured using the equity method, according to which the original cost is periodically adjusted (positively or negatively) to reflect both the portion of profit or loss attributable, and other changes in the investee's equity in the periods after the acquisition date.
Equity investments in other companies are measured at cost.

Subsidiaries

Torretta Rijeka d.o.o.

The foreign investee company Torretta Rijeka d.o.o. was put into liquidation in July 2023, a process that was completed during the current year.

Associates

Geotermia Triveneta Srl

The amount of investments in associates, totalling Euro 1,300 thousand, relates to the acquisition of a 45% stake in Geotermia Triveneta Srl at the end of 2024. Investments in associates are measured using the equity method and, in this specific case, at cost, as this is the first year of recognition. The difference between the carrying amount of the investment and the value of the share of equity held is not regarded as a permanent impairment, as the expected future cash flows from projects to be implemented by Geotermia Triveneta Srl are expected to recover the investment made.

Consorzio GPO

The book value of the equity investment in Consorzio GPO was originally Euro 8,082 thousand and had been written down in 2014 to align it with the corresponding share of equity, adjusted to take account of the performance of the investee Astea Spa. For 2024, the measurement at equity did not result in any changes.
The composition of the Consortium Fund is as follows:

- IRETI Spa equity investment of Euro 12,593 thousand, equal to 62.35%;
- AGSM AIM SpA equity investment of Euro 6,759 thousand, equal to 33.46%;
- AGSM AIM Ambiente Srl equity investment of Euro 845 thousand equal to 4.19% (previously held by AMIA Verona Spa).

Legnago Servizi S.p.A.

This investee company of S.I.T. S.p.A. is the concessionaire for the construction and management of the Integrated Waste Treatment and Disposal System of Torretta di Legnago (VR). The investment was remeasured based on the most recent financial statements.

Si.Ve. Srl

This investee company of AGSM AIM S.p.A. provides environmental health services mainly in the Municipality of Legnago and some neighbouring municipalities. The investment was remeasured based on the most recent financial statements.

Other companies

Agrilux Srl

The company, an investee of S.I.T. S.p.A., produces electricity from biogas. The valuation amounting to Euro 2,492 thousand has the same value as the previous year.

Parco Eolico Monte Vitalba Srl

Parco Eolico Monte Vitalba Srl operates in the wind power generation and sale sector, managing the wind farm located in the municipality of Chianni in the province of Pisa. The Group holds a 15% equity investment recognised at purchase cost of Euro 161 thousand.

2.5 Other non-current financial assets

A breakdown of the item "Other non-current financial assets" as at 31 December 2024 and 2023, is provided below.

Other non-current financial assets	2024	2023	Change	% Change
Financial receivables from subsidiaries	-	48	(48)	0%
Financial receivables from others	21,947	21,515	432	2%
Financial receivables from subsidiaries of parent companies	14,845	14,945	(100)	-1%
Other securities	8,361	7,536	825	11%
Total	**45,153**	**44,044**	**1,109**	**3%**

Financial receivables from others, amounting to Euro 21,947 thousand, mainly refer to the present value of the receivable for the residual value of the water assets under concession, from the Municipality of Verona, the Municipalities of the Valle del Chiampo for the residual value of the gas network under concession and the receivable from the Municipality of Vicenza for the residual value of assets of the gas network under concession. (V-Reti IFRIC 12)
Financial receivables from subsidiaries of parent companies, amounting to Euro 14,845 thousand, refer to the sale of the equity investment in AMIA VERONA S.p.A. to AMIA VR Srl.
The item “Other securities”, amounting to Euro 8,361 thousand, mainly refers to three restricted current accounts of the Provincial Administration of Vicenza for the post-closure charges of the Grumolo delle Abbadesse landfill and the restricted account for the management of the initial post-operation transitional period. The increase in this item relates to payments made during 2024 to these accounts for charges accrued in the period from 1 October 2023 to 30 September 2024.

2.6 Deferred tax assets

A breakdown of the item "Deferred tax assets" as at 31 December 2024 and 2023, is provided below.

Deferred tax assets	2024	2023	Change	% Change
Deferred tax assets	42,391	39,839	2,553	6%
Total	**42,391**	**39,839**	**2,553**	**6%**

Receivables for deferred tax assets recognise the receivable for deferred tax assets arising from the costs charged during the current and previous years, which will become tax deductible in subsequent years.

The recovery is due to costs charged in previous years that met the requirements for deductibility from taxable income in 2024, while the increases concern negative income components charged during the year but temporarily without the requirements for deductibility.

2.7 Other non-current assets

A breakdown of "Other non-current assets" as at 31 December 2024 and 2023, is provided below.

Other non-current assets	2024	2023	Change	% Change
Prepaid expenses	3,905	5,264	(1,359)	-26%
Security deposits	3,088	3,683	(595)	-16%
Other receivables	383	139	244	175%
Total	**7,376**	**9,086**	**(1,710)**	**-19%**

The item “Other non-current assets” includes prepaid expenses, amounting to Euro 3,905 thousand, resulting from multi-year sponsorship contracts, prepaid fees for multi-year concessions of the gas and energy distribution networks in Vicenza and the gas distribution network in Verona, and prepaid multi-year charges on guarantees, insurance and maintenance fees. The decrease in the item is due to the release of costs pertaining to the financial year.
The item security deposits, amounting to Euro 3,088 thousand, mainly relates to deposits requested by the GME to cover the purchase of electricity.

CURRENT ASSETS

2.8 Inventories

A breakdown of "Inventories" at 31 December 2024 and 2023 is provided below.

Inventories	2024	2023	Change	% Change
Raw materials, consumables and supplies	15,262	17,781	(2,519)	-14%
Provision for warehouse write-downs	(897)	(910)	13	-1%
Semi-finished products and work in progress	39	34	4	13%
Contract work in progress	42	42	-	0%
Finished products and merchandise	3,308	4,327	(1,019)	-24%
Advances	5	6	-	-17%
Total	**17,759**	**21,280**	**(3,521)**	**-17%**

The item “Raw materials, consumables and supplies”, amounting to Euro 14,365 thousand, refers to the materials and fuel in stock intended for the maintenance and operation of existing plants and company vehicles and reflects the natural need for stocks. The aforementioned amount is net of an inventory write-down provision of Euro 897 thousand allocated in previous years to present the balances at their presumed realisable value, which incurred the reduction as shown in the table during the year, as a result of the conditions for the allocation not being met.
Inventories of finished products and merchandise refer to the value of gas in stock measured at the weighted average purchase price intended to be sold by the end of gas year 2024/2025.

2.9 Trade receivables

A breakdown of "Trade receivables" as at 31 December 2024 and 2023, is provided below.

Trade receivables	2024	2023	Change	% Change
Trade receivables	504,256	383,381	120,875	32%
Receivables from parents	4,874	2,617	2,257	86%
Receivables from subsidiaries of the parent company	6,784	6,589	195	3%
Receivables from associates	15	24	(9)	-37%
Total	**515,929**	**392,611**	**123,318**	**31%**

Trade receivables

Trade receivables mainly relate to contracts for the supply, transport and wholesale of electricity, methane gas, district heating heat, lighting services and the management of urban health services. The increase in trade receivables from customers is largely attributable to the movements in energy product prices, which as at December 2024 were significantly higher than in the previous year.

Allowance for doubtful accounts	Opening balance	Accrual	Uses	Closing Balance
Allowance for doubtful accounts	35,053	8,959	(10,089)	33,923
Total	**35,053**	**8,959**	**(10,089)**	**33,923**

The allowance for doubtful accounts reflects the estimated losses on receivables and expected losses (ECL). It covers the estimate of the risk of losses that derives from past experiences with similar receivables, from the analysis of non-performing receivables (current and historical), losses and recoveries and, finally, from monitoring economic trends and forecasts both currently and prospectively of the Group's business. During 2024, provisions were made for Euro 8,959 thousand while Euro 10,089 thousand was used to cover derecognised positions, as they were considered uncollectable.

Receivables from parents

Trade receivables from the Municipality of Verona, amounting to Euro 4,874 thousand, relate to invoices to be issued for the provision of public lighting and telecommunications services.

Receivables from subsidiaries

Receivables from subsidiaries amount to Euro 443 thousand and mainly include amounts for corporate services provided to them.

Receivables from subsidiaries of parents

The receivables in question, amounting to Euro 6,784 thousand, refer to amounts accrued for services and supplies to subsidiaries of the Municipality of Verona, mainly from Acque Veronesi Scarl.

2.10 Current financial assets

A breakdown of the caption "Current financial assets" as at 31 December 2024 and 2023, is provided below.

Current financial assets	2024	2023	Change	% Change
Other securities that do not constitute fixed assets	514	500	14	3%
Other equity investments in current assets	21	21	-	0%
Financial derivatives not included among non-current assets	-	2,653	(2,653)	0%
Financial receivables from subsidiaries - current portion	-	62	(62)	-100%
Current portion of non-current financial receivables from others	5	5	-	0%
Financial receivables from subsidiaries of parents - current portion	100	100	-	0%
Total	**640**	**3,341**	**(2,701)**	**-81%**

The item "Other securities that do not constitute fixed assets" amounts to Euro 514 thousand and relates to a restricted deposit opened on 6 August 2024 at a financial institution, with a one-year term and a gross interest rate of 3.65%. The deposit relating to the previous year, amounting to Euro 500 thousand, expired on 21 July 2024.
As at 31 December 2023, the current financial assets also included the positive fair value of hedging derivative contracts in place at the measurement date. As at 31 December 2024, this item was negative and was therefore recognised under other non-current liabilities.

2.11 Current tax assets

A breakdown of the item "Current tax assets" as at 31 December 2024 and 2023, is provided below.

Current tax assets	2024	2023	Change	% Change
Current tax assets – IRES	8,817	26,177	(17,360)	-66%
Current tax assets – IRAP	2,212	2,989	(777)	-26%
Total	**11,029**	**29,166**	**(18,137)**	**-62%**

These receivables consist of IRES tax of Euro 8,817 thousand and IRAP tax of Euro 2,212 thousand.

2.12 Other current assets

A breakdown of the item "Other current assets" as at 31 December 2024 and 2023, is provided below.

Other current assets	2024	2023	Change	% Change
Tax receivables	22,950	24,907	(1,957)	-8%
Other receivables	15,367	19,334	(3,967)	-21%
Receivables from CSEA	10,028	23,037	(13,008)	-56%
Incentive receivables on renewable sources	5,411	1,117	4,294	384%
Current prepaid expenses	3,374	3,399	(24)	-1%
EEC - Energy Efficiency Certificates	1,462	1,288	175	14%
Advances to suppliers	489	576	(87)	-15%
Sundry receivables from parent companies	91	91	-	0%
Accrued income	57	74	(17)	-23%
Receivables from subsidiaries	44	439	(396)	-90%
Total	**59,274**	**74,262**	**(14,989)**	**-20%**

The item “Tax receivables”, which totals Euro 22,950 thousand, is mainly composed of VAT receivables and excise receivables.
The item “Other receivables”, amounting to Euro 15,367 thousand, includes in particular receivables from the GSE, receivables for cancellation of EECs and advances.
Receivables from CSEA (Cassa per i Servizi Energetici e Ambientali), amounting to Euro 10,028 thousand, mainly include receivables arising from items from the current and previous years, from equalisation in the distribution and metering of gas and electricity, the cancellation of Energy Efficiency Certificates, safety incentives, and the bonus for continuity of the electricity service.
The decrease is due to the fact that, in 2023, the introduction of government measures to counter “high energy bills” – specifically, the elimination of general system charges for distribution users – resulted in a corresponding receivable for reimbursement from the CSEA.
The item “Incentive receivables on renewable sources” amounts to Euro 5,411 thousand and refers to the total contributions paid to the GSE (Manager of Energy Services).
With regard to other current assets, the item “Prepaid expenses”, amounting to Euro 3,374 thousand, mainly includes the amount for bank guarantee charges as well as maintenance costs pertaining to future financial years.
The item “Energy Efficiency Certificates (EEC)” refers to receivables from the Electricity Market Operator for white certificates in portfolio purchased or produced, amounting to Euro 1,462 thousand to achieve the energy efficiency targets, prudentially assessed at the value of the cancellation contribution.

2.13 Cash and cash equivalents

A breakdown of "Cash and cash equivalents" as at 31 December 2024 and 2023, is provided below.

Cash and cash equivalents	2024	2023	Change	% Change
Bank and postal accounts	27,025	26,682	343	1%
Cash-in-hand and cash equivalents	108	108	-	0%
Total	**27,132**	**26,790**	**343**	**1%**

For a detail of the changes that occurred during the year, one should refer to the details in the statement of cash flows.

Other Assets

2.14 Assets held for sale

Assets held for sale	2024	2023	Change	% Change
Assets held for sale	2,200	2,486	(286)	-12%
Total	**2,200**	**2,486**	**(286)**	**-12%**

In the comparison table, the amount of Euro 2,200 thousand refers to the land for sale located in the Municipality of Rivoli Veronese, which the Group intends to sell at the end of a settlement agreed with the municipality regarding its intended use. The amount reflects the fair value based on an appraisal prepared by an independent expert. The amount changed during the year by Euro 286 thousand relating to the stake in Bovolone sold in January 2024.

Equity

2.15 Equity

Equity	Share capital	Share premium/contribution reserve	Revaluation surplus	Legal reserve	Extraordinary reserve	Provision for grants related to plants	Transformation reserve as per Law 127/97	IFRS FTA Reserve	Other reserves
Opening Balance	95,588	384,339	7,385	16,348	3,875	3,194	34,836	(879)	32,212
Allocation of the result	-	-	-	2,226	-	-	-	-	160
Changes in scope	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	(1,066)
Other changes	-	-	-	-	-	-	-	-	-
Foreign exchange difference	-	-	-	-	-	-	-	-	276
Profit (loss) for the year	-	-	-	-	-	-	-	-	-
Closing Balance	**95,588**	**384,339**	**7,385**	**18,574**	**3,875**	**3,194**	**34,836**	**(879)**	**31,582**

Equity	Cash flow hedge reserve	Retained earnings (losses)	Consolidation reserve	Profit (loss) for the year	Group Total Equity	Minority interests in share capital and reserves	Minority interests	Total Minority Interests	Total Equity
Opening Balance	43	35,940	19,079	27,057	659,017	18,033	2,348	20,381	679,398
Allocation of the result	-	24,671	-	(27,057)	-	2,348	(2,348)	-	-
Changes in scope	-	-	-	-	-	(321)	-	(321)	(321)
Dividends paid	-	(27,800)	-	-	(27,800)	(2,235)	-	(2,235)	(30,035)
Other comprehensive income	(313)	-	-	-	(1,379)	(92)	-	(92)	(1,471)
Other changes	-	141	-	-	139	5	-	5	144
Foreign exchange difference	-	-	-	-	277	107	-	107	384
Profit (loss) for the year	-	-	-	48,858	48,858	-	3,752	3,752	52,610
Closing Balance	**(270)**	**32,952**	**19,079**	**48,858**	**679,112**	**17,846**	**3,752**	**21,597**	**700,709**

Pursuant to Article 2427, point 7 bis, of the Italian Civil Code, it should be noted that the legal reserve can only be used to cover losses and the other reserves cannot be distributed as regards the portion deriving from the allocation of revaluations of equity investments valued at equity, while all other reserves can be used to cover losses, to increase the share capital and also for distribution to shareholders.
The share capital of AGSM AIM S.p.A. equal to Euro 95,588 thousand is owned 61.2% by the Municipality of Verona and 38.8% by the Municipality of Vicenza and consists of 63,725,490 ordinary shares with a nominal value of Euro 1.5 each.
The Share premium/contribution reserve from shares/contributions amounts to Euro 384,339 thousand. It was set up in 1999 following the completion of the Special Enterprise's valuation process and decreased by Euro 2,921 thousand in 2001 in relation to the free capital increase, concurrently with the conversion into Euro. In 2021, it increased even further following the increase approved for the issue of the shares to be assigned to the shareholders of the merged Companies, as part of the extraordinary transaction for the re-organisation of the Group.
The legal reserve of Euro 18,574 thousand was increased during the year due to the allocation of previous profits.
The extraordinary reserve of Euro 3,875 thousand remained unchanged compared to the previous year.
The reserve for contributions of Euro 3,194 thousand includes the residual portions (not included in the above-mentioned share premium/contribution reserve) of capital contributions for investments received up to 31 December 1997 and recognised under the equity components, in line with the accounting criteria adopted up to that date.
The reserve for adjusting values under Law 127/97 for Euro 34,836 thousand was recognised in 2000 following the adjustment of the values of the assets contributed by the Special Enterprise to the joint stock company on 1 January 2000, based on the valuations prepared by the Board of Directors with reference to the appraisal prepared pursuant to and for the purposes of Article 2343 of the Italian Civil Code.
The IFRS FTA reserve represents the amount as at 1 January 2021 for the adoption of IAS/IFRS.
The cash flow hedge reserve, recognised as a negative equity adjustment of Euro (270) thousand, corresponds to the measurement using the cash flow hedge method of the derivatives used to hedge cash flows associated with interest rates on loans. The value is recognised net of tax effects. As provided for in Article 2426, paragraph 1, number 11-bis, of the Italian Civil Code: “equity reserves arising from the fair value measurement of derivatives used to hedge the expected cash flows of another financial instrument or planned transaction are not considered in the calculation of equity for the purposes of Articles 2412, 2433, 2442, 2446 and 2447 and, if positive, are not available and cannot be used to cover losses.”
Retained earnings, which amounted to Euro 32,952 thousand, increased due to the allocation of the previous year's result and decreased due to the distribution of dividends.

Profit for the year

Consolidated profit for the year amounted to Euro 52,610 thousand and includes the profit for the period of the AGSM AIM Group.

Minority interests

Minority interests amounted to Euro 21,597 thousand, of which Euro 3,752 thousand for profits.

Statement for reconciliation between Parent Company and consolidated financial statements

Statement of reconciliation	2024 Profit (Loss)	2024 Equity	2023 Profit (Loss)	2023 Equity
Statutory values of AGSM AIM SpA	30,257	590,766	44,537	587,622
Elimination of the effects of transactions between consolidated companies	-	(221)	-	(185)
Dividends received from consolidated companies	(53,232)	-	(63,828)	-
Value of consolidated equity investments		(657,216)		(655,440)
Equity and profit (loss) of consolidated companies	82,399	643,136	55,572	613,668
Amortisation of Deficits	(7,717)	103,799	(3,837)	113,259
Effect of other adjustments	(2,850)	(1,018)	(5,387)	94
Balances of the Consolidated Financial Statements attributable to the Group	48,858	679,245	27,057	659,017
Balances of the Consolidated Financial Statements attributable to minority interests	3,752	21,464	2,348	20,381
Total consolidated financial statements balances	**52,610**	**700,709**	**29,405**	**679,398**

Non-current liabilities

2.16 Non-current financial liabilities

A breakdown of the item "Non-current financial liabilities" at 31 December 2024 and 2023 is provided below.

Non-current financial liabilities	2024	2023	Change	% Change
Bonds	55,140	-	55,140	N/A
Bank loans	111,570	152,398	(40,828)	-27%
Loans and borrowings from other financial backers	2,773	3,972	(1,198)	-30%
Total	**169,483**	**156,370**	**13,114**	**-8%**

The following table shows the main changes in non-current financial liabilities that occurred during the year:

	Opening balance	Increases	Other changes	Reclassifications	Foreign exchange difference	Closing Balance
Bonds – non-current portion	-	45,027	59	10,054	-	55,140
Bank loans	152,398	30,397	518	(71,836)	93	111,570
Total	**152,398**	**75,425**	**577**	**(61,782)**	**93**	**166,710**

The closing balance of Bonds partly consisted of the portion that had been classified as current during the previous year of the non-convertible, unsubordinated and unsecured bond loan, with an original value of Euro 70,500 thousand, placed on the Main Securities Market, a regulated market managed by the Euronext Dublin Irish Stock Exchange. This loan, for the amount outstanding as at 31 December 2023, was renegotiated on 20 September 2024, extending its maturity to 20 September 2027, and was therefore reclassified as a non-current liability. In addition, during the year, on 7 August 2024, a new listed bond was entered into for a nominal amount of Euro 46,000 thousand, maturing on 7 August 2031. Increases and decreases in bonds include differences arising from the measurement at their actuarial value.
The renewal of the existing bond, together with the signing of the new bond, allowed the Group to remain classified as a Public Interest Entity.

The total amount of long-term bank loans of Euro 111,570 thousand represents the principal amount of mortgage loans net of the differences due to the application of the amortised cost method. The total amount of bank loans, including the short-term portion owed for the principal amount, as reported under current liabilities, is Euro 169,766 thousand and includes new loans taken out during the current year, for a nominal amount of Euro 30,397 thousand.
Loans granted by banks require compliance with certain covenants, which, as at 31 December 2024, have been met.

The costs incurred by the Company to obtain bank loans were initially recognised with a reduction in financial liabilities and subsequently recognised among financial expenses using the amortised cost method in accordance with IFRS 9.

Loans and borrowings from other financial backers include the non-current portion of lease payables for property, plant and equipment recorded in accordance with IFRS 16.

2.17 Employee benefits

The breakdown of the item "Employee benefits" at 31 December 2024 and the changes occurred compared to 31 December 2023 are shown below.

Employee benefits	Opening balance	Accruals	Uses	Other changes	Other comprehensive income – Employee benefits	Closing Balance
Employee severance indemnities	14,104	4,527	(1,510)	(3,785)	(362)	12,973
Provision for rate discounts	6,469	239	(318)	82	(1,371)	5,101
Total	**20,572**	**4,766**	**(1,828)**	**(3,702)**	**(1,733)**	**18,074**

In compliance with IAS 19, the employee severance indemnities (TFR) and discounts from tariff rates applied to former employees have been considered as defined benefit obligations and consequently, the related liability is measured using actuarial techniques. In accordance with IAS 19, actuarial valuations are carried out based on the accrued benefit method using the Projected Unit Credit Method. This method calculates the TFR accrued at a specified date on an actuarial basis, allocating the charge over the residual work life of current employees.

The technical assessments required by the application of IAS 19 were carried out on the basis of the technical-economic assumptions set out below.

Summary of the technical and economic bases	2024	2023
Discounting annual rate	3.38%	3.17%
Annual inflation rate	2.00%	2.00%
TFR annual growth rate	3.00%	3.00%
Effective annual remuneration growth rate	0.75%	0.75%

It should be noted that:

- the annual discount rate used to determine the current value of the bond has been calculated, in line with paragraph 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 10+ recorded at the valuation date. To this end, the yield was chosen with a duration comparable to the duration of the group of workers being assessed;
- the annual rate of increase in severance pay, as provided for by Article 2120 of the Italian Civil Code, is equal to 75% of inflation plus 1.5 percentage points;
- the annual rate of wage increase, applied exclusively for companies with an average of less than 50 employees during 2006, was determined based on the relevant data provided by the Group.

2.18 Provision for risks and charges

A breakdown of the "Provision for risks and charges" as at 31 December 2024 and 2023, is provided below.

Provision for risks and future charges	Opening balance	Accruals	Uses	Reclassifications	Other changes	Closing Balance
Provisions for pensions and similar obligations	415	18	-	-	-	432
Provision for future charges	30,071	5,432	(1,165)	-	111	34,448
Provision for sundry risks	29,162	3,490	(4,453)	1,042	89	29,331
Total	**59,647**	**8,940**	**(5,618)**	**1,042**	**200**	**64,211**

The provision for future charges includes estimated charges that the Group will incur in future years, mainly:

- Euro 6,926 thousand related to cyclical maintenance, dismantling charges, demolition, and environmental restoration of the electricity and cogeneration power plants;
- Euro 3,672 thousand, which, in accordance with ARERA (Italian Regulatory Authority for Energy, Gas and Water) Resolution 68/2023, the Parent Company recognised as a revenue constraint for heat and district heating for the year, allocated to the provision for future expenses, reducing the revenue for the year, pending ARERA's clarification on the implementation of the resolution.
- Euro 2,000 thousand for charges relating to concessions with the Municipality of Vicenza and with some Municipalities of the Province of Vicenza for the distribution of gas, attributable to the uncertainty over the extension of the distribution service and in particular towards the Municipality of Vicenza to take into account the shorter duration of the concession itself as a result of current legislation, depending on the award of the tender;
- Euro 1,480 thousand for estimated possible charges related to occupation of public land
- the amount also includes the allocation to the provision related to the extraordinary plan for the replacement of gas meters in the province of Vicenza, in compliance with AEEG (Italian Regulatory Authority for Electricity and Gas) Resolution 155/2008, amounting to around Euro 1,000 thousand.
- Euro 1,000 thousand for expenses for plants under construction
- Euro 15,994 thousand in total for post-mortem works to be carried out for the Grumolo delle Abbadesse and Lonigo landfills, and for remediation costs.

The item "Other provisions for risks" includes:

- a prudent estimate of amounts that may be paid to third parties as a result of sector-specific regulatory interpretations, totalling around Euro 17,638 thousand, with an annual allocation of Euro 2,642 thousand;
- allocations for litigation and contractual risks, totalling Euro 2,000 thousand;
- estimated possible risks on plants under construction, amounting to Euro 2,468 thousand;
- Euro 1,558 thousand allocated in relation to the application of the rules set out in the "Sostegni" Decree for the first half of 2023;
- other litigation with employees and similar personnel.

The opening balance of the other risk provisions included Euro 4,515 thousand for potential disputes relating to Law 197 of 29/12/2022 (whose application became doubtful following the completion of company mergers and transfers during 2022), which was used for payment of the solidarity contribution to the Italian Revenue Agency in the amount of Euro 3,641 thousand. In 2024, the Company submitted a request for a refund of the amount paid as a solidarity contribution (Article 1, paragraphs 115 to 119 of Law no. 197/2022). The claim for a full refund is justified by several significant factors indicating that the tax is unconstitutional. In the alternative, the Company requested a partial refund, corresponding to the maximum amount permitted by law, i.e. 25% of equity as at 31 December 2021. The tax authorities did not provide a response within the legally mandated period. As a result, the Company has contested the tacit refusal before the Venice Tax Court of First Instance and is currently awaiting the hearing date.

2.19 Deferred tax liabilities

A breakdown of the item "Deferred tax liabilities" as at 31 December 2024 and 2023, is provided below.

Deferred tax liabilities	Opening balance	Accruals	Uses	Reclassifications	Other changes	Closing Balance
Provisions for taxes, including deferred tax liabilities	31,167	(38)	(5,096)	1	743	26,776
Total	**31,167**	**(38)**	**(5,096)**	**1**	**743**	**26,776**

The provision for deferred taxes includes the payable for deferred tax liabilities on positive income components recognised in 2024 or in previous years, which do not show the characteristics for contributing to the taxable income for the current year. Deferred tax liabilities originated mainly from differences between the statutory and tax values of fixed assets. Uses are mainly attributable to the reversal of tax depreciation carried out in previous years and the tax effect of fair value allocated within the purchase price allocation.

2.20 Other non-current liabilities

A breakdown of "Other non-current liabilities" as at 31 December 2024 and 2023, is provided below.

Other non-current liabilities	2024	2023	Change	% Change
Provisions for financial instrument liabilities	1,318	-	1,318	N/A
Advances	4,665	3,315	1,350	41%
Other non-current payables	487	528	(41)	-8%
Deferred income	22,448	26,604	(4,156)	-16%
Total	**28,918**	**30,448**	**(1,529)**	**-5%**

Deferred income is mainly composed of prepaid capital grants related to plants recognised to profit or loss on the basis of the useful life of the assets to which they refer, from the moment they enter into operation.
The item "Provisions for financial instruments liabilities" includes the negative fair value of hedging derivatives at the measurement date.
The essential information on existing derivative contracts is provided below.

Type	Counterparty	Effective Date	Closing Date	Purpose	Risk hedged	Fair Value at 31/12/24
Interest rate swaps	BPER	09/09/2015	29/12/2028	Hedging	Interest risk	(137)
Interest rate swaps	BNP PARIBAS	13/02/2024	31/12/2028	Hedging	Interest risk	(219)
Commodity swaps	BNP PARIBAS	07/05/2024	31/03/2025	Hedging	Revenue risk	(29)
Commodity swaps	BNP PARIBAS	14/05/2024	31/03/2025	Hedging	Revenue risk	(34)
Commodity swaps	BNP PARIBAS	05/06/2024	31/03/2025	Hedging	Revenue risk	(20)
Commodity swaps	BNP PARIBAS	10/06/2024	31/03/2025	Hedging	Revenue risk	(24)
Commodity swaps	BNP PARIBAS	11/06/2024	31/03/2025	Hedging	Revenue risk	(15)
Commodity swaps	BNP PARIBAS	17/06/2024	31/03/2025	Hedging	Revenue risk	(20)
Commodity swaps	BNP PARIBAS	03/07/2024	31/03/2025	Hedging	Revenue risk	(27)
Commodity swaps	INTESA S. PAOLO	08/04/2024	31/03/2025	Hedging	Revenue risk	(155)
Commodity swaps	INTESA S. PAOLO	08/04/2024	31/03/2025	Hedging	Revenue risk	(70)
Commodity swaps	INTESA S. PAOLO	08/04/2024	31/03/2025	Hedging	Revenue risk	(476)
Commodity swaps	INTESA S. PAOLO	15/04/2024	31/03/2025	Hedging	Revenue risk	(93)
						(1,318)

Current liabilities

2.21 Current financial liabilities

A breakdown of the item "Current financial liabilities" as at 31 December 2024 and 2023, is provided below.

Current financial liabilities	2024	2023	Change	% Change
Bank borrowings	166,747	157,348	9,398	6%
Loans and borrowings from other financial backers	2,171	2,450	(278)	-11%
Payable to the Municipality of Vicenza for approved dividends	25,530	31,220	(5,690)	-18%
Payable to the Municipality of Verona for approved dividends	40,270	39,780	490	1%
Bonds	-	10,054	(10,054)	-100%
Total	**234,718**	**240,852**	**(6,134)**	**-3%**

Bank borrowing consists mainly of overdrawn current account balances, totalling Euro 107,266 thousand, and short-term portions of loans, amounting to Euro 58,196 thousand. During the year, new loans were disbursed for a total nominal value of Euro 28,135 thousand, part of which have a short term maturity. The portion of mortgage loans repaid in 2024 was Euro 64,931 thousand.
The item "Loans and borrowings from other financial backers", amounting to Euro 2,171 thousand, include the short-term portion of lease liabilities on property, plant and equipment recognised in the financial statements in accordance with the financial method for accounting for leases restated according to the principles set out in IFRS 16.
The payables to the Municipality of Vicenza and the Municipality of Verona for dividends approved amount to Euro 25,530 thousand and Euro 40,270 thousand respectively.
The current portion of the bond, as already noted in the section relating to non-current financial liabilities, was renegotiated with its maturity postponed to 2027 and has therefore been reclassified as a non-current financial liability.

2.22 Trade payables

A breakdown of "Trade payables" as at 31 December 2024 and 2023, is provided below.

Trade payables	2024	2023	Change	% Change
Advances	1,839	2,159	(320)	-15%
Trade payables	379,775	258,174	121,601	47%
Payables to parent companies	48	53	(5)	-9%
Payables to subsidiaries	(6)	-	(6)	N/A
Payables to associates	-	-	-	0%
Payables to subsidiaries of the parent companies	254	2,092	(1,838)	-88%
Total	**381,910**	**262,477**	**119,433**	**46%**

The item "Advances", amounting to Euro 1,839 thousand, relates to amounts received for various reasons from customers.
Trade payables, amounting to Euro 379,769 thousand, net of the credit notes to be received, include both payables for invoices received, but not yet past due, and payables accrued in relation to the relevant purchases and services received in the following year. The increase in trade payables and, consequently, in the turnover ratio, reflects a longer average payment period for the trade payables, which is consistent with that already described for the collection of receivables.

2.23 Current tax liabilities

A breakdown of the item "Current tax liabilities" as at 31 December 2024 and 2023, is provided below.

Current tax liabilities	2024	2023	Change	% Change
Current tax payables for IRES	10,208	18,063	(7,856)	-43%
Current tax payables for IRAP	1,173	1,679	(505)	-30%
Total	**11,381**	**19,742**	**(8,361)**	**-42%**

Current tax liabilities refer to current IRES (corporate income tax) and IRAP (regional tax on productive activity) taxes for the year.

2.24 Other current liabilities

A breakdown of "Other current liabilities" as at 31 December 2024 and 2023, is provided below.

Other current liabilities	2024	2023	Change	% Change
Other current payables	30,945	38,686	(7,741)	-20%
Payables to CSEA	24,011	14,851	9,159	62%
Tax payables	18,938	13,553	5,385	40%
Security deposits	16,544	17,870	(1,326)	-7%
Deferred income	15,667	11,474	4,193	37%
Payables for excise duties	8,775	9,793	(1,018)	-10%
Payables to employees	7,340	7,461	(120)	-2%
Payables to social security and welfare institutions	5,564	5,304	260	5%
Payable for collection of RAI TV licence fee	1,869	2,599	(730)	-28%
Accrued expenses	1,280	805	474	59%
Sundry payables to subsidiaries of parent companies	219	11	208	1892%
Sundry payables to parent companies	5	-	5	0%
Sundry payables to subsidiaries	-	1,292	(1,292)	0%
Total	**131,155**	**123,699**	**7,455**	**6%**

The item “Other current payables”, amounting to Euro 30,945 thousand, mainly consists of payables to users related to bills and payables to the Municipality of Vicenza related to collections received on behalf of the Municipality for TARI (waste collection tax).

Payables to CSEA mainly refer to equalisation and adjustment amounts for gas and electricity distribution services, amounting to Euro 24,011 thousand.

The item “Tax payables”, totalling Euro 18,938 thousand, mainly includes the Group’s VAT payable to the Tax Authorities.

The item security deposits, amounting to Euro 16,544 thousand, includes amounts received as security deposits from customers upon signing of service supply contracts.

Deferred income, amounting to Euro 15,667 thousand, mainly relates to contributions related to plants, as well as connections for the distribution of gas and electricity.

The item “Payables for excise duties”, amounting to Euro 8,775 thousand, comprises payables for taxes on the consumption of gas and electricity.

The item "Payables to employees", amounting to Euro 7,340 thousand, includes the consideration due to employees for the productivity bonus and holidays accrued and not taken as at 31 December 2024.

The item "Social security charges payable", amounting to Euro 5,564 thousand, includes the payables to INPS, "Gestione Separata" (separate pension fund), INPDAP and various supplementary pension institutions.

The item “Payable for collection of the RAI TV licence fee”, amounting to Euro 1,869 thousand, refers to the payable to the Italian Revenue Agency for the amount stated and collected in the electricity bills.

The item “Accrued expenses” amounts to Euro 1,280 thousand and mainly relates to accrued interest expenses on loans and bonds.

Notes to the Consolidated Income Statement

2.25 Revenue from sales and services

Below is a breakdown by business category of the item "Revenue from sales and services" for the financial years ended 31 December 2024 and 2023 with an indication of the change.

Revenue from sales and services	2024	2023	Change	% Change
Revenue from electricity	1,189,345	1,335,785	(146,440)	-11%
Revenue from methane gas	483,005	508,364	(25,359)	-5%
Fees for collection and sweeping	69,116	62,919	6,196	10%
Revenue from waste treatment	34,894	14,249	20,645	145%
Revenue from heat	33,217	33,122	94	0%
Sundry revenue	18,650	367	18,283	4982%
Revenue from public lighting	11,536	12,566	(1,030)	-8%
Revenue from sales of recycled materials	4,064	4,218	(154)	-4%
Revenue from fibre optics	2,852	1,899	953	50%
Revenue from connections	2,183	2,350	(167)	-7%
Income from car parks and parking services	1,945	1,830	114	6%
Revenue from electric mobility	385	342	43	12%
Total	**1,851,192**	**1,978,013**	**(126,821)**	**-6%**

The current year was influenced by the decline in national demand that had affected the previous year and led to a decrease in market prices for energy commodities on the markets, which reached their historic low at the beginning of the current year, before gradually rising and peaking in December. The average price for 2024 was lower than that recorded in the previous year. The Group's total revenue amounted to Euro 1,851,192 thousand, down 6% compared to the previous year, also as a result of the price trends already described. For further details regarding the macroeconomic trends specific to each business segment and the events that affected the Company, which caused changes in the values of individual revenue items, see the relevant sections of the report on operations.

Revenue from electricity amounted to Euro 1,189,345 thousand and relates to the production, distribution and sale of electricity to end customers and wholesalers.

Total revenue from methane gas, amounting to Euro 483,005 thousand, relates to the distribution and sale of gas to end customers and wholesale customers.

The reduction in revenue for the two items mentioned above compared with the previous year was mainly attributable to the decrease in volumes sold in 2024 and the reduction in commodity prices.

Revenue from urban health services, totalling Euro 69,116 thousand, relates to the collection and transport of urban waste mainly in the provinces of Verona and Vicenza and the Municipality of Vicenza.

Revenue from solid urban waste treatment, amounting to Euro 34,894 thousand, relates to customers, public entities or companies operating in the management of waste services in the Province of Vicenza and Verona and in Albania. The significant increase in the item was attributable to the entry into the Albanian market through the acquisition of shares in Eco Tirana.

Revenue from the sale of heat amounted to Euro 33,217 thousand and refers to the sale of heat for district heating in the urban networks of Verona and Vicenza. The increase in quantities sold offset the fall in prices, resulting in a figure that remained substantially unchanged from the previous year.

Sundry revenue, amounting to Euro 18,650 thousand, included revenue from the rental of water networks and services provided to Acque Veronesi Scarl and Viacqua Spa, totalling Euro 4,478 thousand, and revenue from the cancellation of black certificates, totalling Euro 1,766 thousand. The balance for the year included a negative amount due to the recognition of the social bonus paid to electricity and gas end customers in accordance with the decrees issued by the Government to mitigate high energy bills.

Revenue from public lighting, amounting to Euro 11,536 thousand, refers to services carried out in the Municipalities located in Veneto where the concession for the management of the service was obtained, and in particular, to the project financing contract for the management of public lighting entered into with the Municipality of Verona, including the supply of electricity, with a duration until 2037.

Revenue from sales of recycled material amounted to Euro 4,064 thousand and mainly related to services provided to municipalities belonging to the Consiglio di Bacino Verona Nord, under the contract awarded up to 31 December 2024 and currently extended to at least 30 June 2025.

Revenue from telecommunications services, amounting to Euro 2,852 thousand, refers to the rent of the fibre optic network and connectivity services, partly provided to the Municipality of Verona.

Revenues from connections, amounting to Euro 2,183 thousand, consists of Euro 1,931 thousand in contributions for electricity connections and Euro 252 thousand in contributions for gas connections.

Revenue from car parks and parking services of Euro 1,945 thousand relates to fees for the management of the parking service in the Municipality of Vicenza.

Revenue by geographic area

The revenue mentioned above was achieved in Italy, especially in the cities of Verona and Vicenza, in addition to their provinces. With regard to urban health services, it was partly achieved in the city of Tirana (Albania), despite the insignificant impact in comparison to the Group's total revenue.

2.26 Change in inventories

Change in inventories of finished products and goods	2024	2023	Change	% Change
Change in product inventories	(1,015)	(7,821)	(6,807)	-87%
Total	**(1,015)**	**(7,821)**	**(6,807)**	**-87%**

This item refers to the change in values of gas in storage intended for sale.

2.27 Other revenue

A breakdown of "Other revenue" is provided below for the financial years ended 31 December 2024 and 2023.

Other revenue	2024	2023	Change	% Change
Grants for current expenses	9,550	5,332	4,217	79%
Electricity market revenue	8,880	7,981	899	11%
Other revenue	7,641	10,224	(2,583)	-25%
Contingent items and non-realised losses	3,157	5,990	(2,833)	-47%
Grants related to plants	2,579	2,483	96	4%
Revenue from services to third parties	594	1,023	(429)	-42%
Gains	369	1,453	(1,084)	-75%
Indemnities, reimbursements and other	269	1,495	(1,226)	-82%
Certified revenue	139	581	(443)	-76%
Real estate income	-	1,077	(1,077)	-100%
Other revenue	**33,177**	**37,640**	**(4,463)**	**-12%**
Increases in non-current assets	**34,719**	**34,819**	**(100)**	**0%**
Total	**67,896**	**72,458**	**(4,562)**	**-6%**

The item "Grants for current expenses", amounting to Euro 9,550 thousand, mainly includes incentives on production from renewable sources, as required by Ministerial Decree of 6 July 2012, and grants for current expenses in the exploitation of photovoltaic renewable energy sources. The increase in these contributions demonstrates the Company's commitment to production using renewable energy sources.
Electricity market revenue amounted to Euro 8,880 thousand and mainly consists of Euro 4,914 thousand for the Remuneration Mechanism for Electricity Generation Capacity (Capacity Market) for the Mincio Combined Cycle Power Plant.
Other revenue amounts to a total of Euro 7,641 thousand, the main component of which relates to the tax benefit linked to the 2024 Art-bonus (pursuant to Article 1 of Decree Law no. 83/2014), which may be used in three equal instalments from the following year, for a total of Euro 3,711 thousand.
The item related to contingent items and non-realised losses totalled Euro 3,157 thousand and included the differences between the estimated or unforeseeable amounts for the year 2023 and those actually achieved in the year of accrual and the derecognition of previously recognised liabilities.
Grants related to plants amount to Euro 2,579 thousand and mainly relate to the release of grants for plants and gas and electricity distribution networks.
The increases in fixed assets, amounting to Euro 34,719 thousand, include the costs relating to the consumables used, services and the personnel employed for the construction of company plants and for the additional maintenance carried out for the technological upgrade of the production plants. The table below provides a breakdown of this item.

Increases in non-current assets	2024	2023	Change	% Change
Labour	14,643	13,845	799	6%
Materials	14,370	17,266	(2,896)	-17%
Services	5,706	3,708	1,998	54%
Total	**34,719**	**34,819**	**(100)**	**0%**

Operating costs

2.28 Costs for raw materials and consumables

A breakdown by business category of "Costs for raw materials and consumables" is provided below for the financial years ended 31 December 2024 and 2023.

Costs for raw materials and consumables	2024	2023	Change	% Change
Electricity	543,750	763,475	(219,724)	-29%
Gas	289,371	410,134	(120,763)	-29%
Purchase of materials	28,895	32,461	(3,566)	-11%
Purchase of heat	378	503	(124)	-25%
Change in inventories	2,506	(1,787)	4,293	-240%
Total	**864,900**	**1,204,785**	**(339,885)**	**-28%**

As already noted in the commentary on the revenue section, the current year was marked by a general reduction in demand and in market prices for energy commodities at national level. See the Report on Operations for more details regarding the various factors that influenced performance of this item, both in terms of volume and price. Costs for raw materials and consumables, which totalled Euro 864,900 thousand, decreased by 28% compared with the previous year due to lower prices and lower volumes purchased.
Purchases of electricity amounted to Euro 543,750 thousand and refer to the energy purchased by sourcing for sale to end and wholesale customers.
Purchases of gas amounted to Euro 289,371 thousand and refer to the gas purchased by sourcing for sale to end and wholesale customers and for the needs of the electricity production plants.
The item "Purchase of materials", amounting to Euro 28,895, mainly refers to purchases for consumables, fuel, and maintenance materials that were also purchased during the year by AGSM AIM Group companies to build up warehouse stock.
The item "Change in inventories", amounting to Euro 2,506 thousand, relates to materials held in stock.
The item "Purchase of heat" of Euro 378 thousand refers to the procurement of heat from third parties.

2.29 Services

A breakdown of "Services" is provided below for the financial years ended 31 December 2024 and 2023.

Services	2024	2023	Change	% Change
Electricity and gas transport costs	610,394	451,427	158,967	35%
Costs for works and maintenance	25,125	19,546	5,580	29%
Costs for disposal	24,103	13,300	10,804	81%
Commissions	18,136	17,498	639	4%
Hardware and software maintenance	9,590	6,196	3,395	55%
Other services	5,791	6,747	(956)	-14%
Professional services	5,216	5,152	65	1%
Various outsourced services	4,977	5,338	(361)	-7%
Insurance	4,307	3,749	558	15%
Personnel costs	4,120	3,703	417	11%
Intercompany services	3,677	3,648	30	1%
Bank services	3,596	3,416	180	5%
Security, cleaning and porterage	3,052	2,709	342	13%
Delivery and bill collection charges	2,284	2,773	(488)	-18%
Advertising and sponsorships	2,234	1,869	365	20%
IT services	1,910	2,377	(467)	-20%
Service agreement charges	1,506	1,503	4	0%
Telephony expenses	1,050	1,319	(270)	-20%
Directors' remuneration	1,048	1,072	(25)	-2%
Board of Statutory Auditors fees	494	484	10	2%
Temporary employment	455	173	283	164%
Internal consumption for office use	302	312	(10)	-3%
Meter reading	251	199	52	26%
Other environmental services	194	3	191	N/A
Total	**733,812**	**554,511**	**179,301**	**32%**

The most significant item refers to electricity and gas transport, amounting respectively to Euro 557,430 thousand and Euro 52,964 thousand, represents the items related to the transport of electricity and gas. This item also includes chargebacks to offset EUAs amounting to Euro 1,766 thousand.
The item "Costs for works and maintenance", totalling Euro 25,125 thousand, mainly refers to services for maintenance of production plants and networks.
Waste disposal costs, amounting to Euro 24,103 thousand, refer to the charges incurred by the Group in connection with environmental health activities.
The item "Commissions", equal to Euro 18,136 thousand, refers to the recognition of agents' commissions on electricity and gas sales.
Hardware and software maintenance costs total Euro 9,590 thousand and mainly relate to software maintenance fees, amounting to Euro 8,828 thousand.

2.30 Leases and rentals

A breakdown of "Leases and rentals" is provided below for the financial years ended 31 December 2024 and 2023.

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Leases and rentals	2024	2023	Change	% Change
Rent for the use of third-party networks	5,555	5,087	468	9%
Crossing fees and fees for hydroelectric use	4,942	4,319	623	14%
Rentals	2,342	754	1,588	211%
Rents and leases	1,764	1,619	145	9%
Concession charges	463	711	(248)	-35%
Lease payments	64	87	(22)	-26%
Total	**15,129**	**12,577**	**2,553**	**20%**

The item "Rent for the use of third-party networks" totals Euro 5,555 thousand and relates to rental and concession fees paid for the use of gas distribution networks outside the municipal areas of Verona and Vicenza. This includes Euro 1,563 thousand for the fee paid to the Municipality of Treviso for the concession of the gas distribution service.
The other lease and rental costs includes crossing fees and fees for hydroelectric use totalling Euro 4,942 thousand.
Concession charges, totalling Euro 463 thousand, include the fee for parking management activities in the Municipality of Vicenza amounting to Euro 343 thousand.
Residual items include rental and lease costs, as well as rental and operating lease costs for the company's industrial vehicles.

2.31 Other operating costs

A breakdown of "Other operating costs" is provided below for the financial years ended 31 December 2024 and 2023.

Other operating costs	2024	2023	Change	% Change
Purchase of certificates	7,880	10,752	(2,872)	-27%
Donations	6,008	170	5,838	3443%
Losses on disposals and non-realised gains	2,980	1,653	1,327	80%
Contingent liabilities	2,272	2,792	(519)	-19%
Other general expenses	2,096	1,449	646	45%
IMU (municipal property tax) and TASI (municipal tax)	1,571	1,530	41	3%
Other taxes and duties	1,432	1,544	(112)	-7%
Authority Contribution	609	672	(63)	-9%
Indemnities	608	1,497	(889)	-59%
Total	**25,457**	**22,059**	**3,397**	**15%**

The item "Purchase of certificates", amounting to Euro 7,880 thousand, refers to the purchase of EUAs (European Emission Allowances) necessary to fulfil the offset obligation for the Group's plants subject to the "Emission Trading" Directive.
Donations total Euro 6,008 thousand, from which – pursuant to Article 1 of Decree Law no. 83/2014 – the Art-bonus described in previous paragraphs of the notes to the financial statements accrued. This item also includes an amount of Euro 100 thousand allocated as endowment capital for the establishment of the AGSM AIM Foundation.
The item "Losses on disposals and non-realised gains", amounting to Euro 2,980 thousand, refers to the write-off of obsolete assets that are no longer usable, as well as receivables found to be unrecoverable.
Contingent liabilities amount to Euro 2,272 and include adjustments and corrections of estimates referring to previous years and adjustments for the imbalance of consumption units.

2.32 Personnel costs

This item consists of the entire outlay for employees, including the cost of unused holiday leave, and statutory provisions for collective bargaining agreements. The table below gives a breakdown of the figure for the financial years ended 31 December 2024 and 2023:

Personnel costs	2024	2023	Change	% Change
Wages and salaries	70,270	66,497	3,773	6%
Social security contributions	21,038	20,239	800	4%
Employee severance indemnities	4,201	3,682	520	14%
Other personnel costs	1,437	1,375	62	4%
Employee pensions and similar obligations	4	3	-	10%
Total	**96,951**	**91,796**	**5,155**	**6%**

The increase in personnel costs reflects the growth in the Company's workforce.
The table below shows the number of employees broken down by category.

Headcount	2023	Recruitment	Terminations	2024	Media
Managers	19	1	(3)	17	19
Middle managers	62	4	(5)	61	70
White collar workers	691	97	(53)	735	728
Blue collar workers	1,049	964	(479)	1,534	1,262
Total	**1,821**	**1,066**	**(540)**	**2,347**	**2,080**

The total workforce as at 31 December 2024 was 2,347 with an overall increase of 1,066 compared to 31 December 2023. The average personnel cost amounts to Euro 41 thousand.

2.33 Amortisation, depreciation, accruals and impairment

A breakdown of "Amortisation, depreciation, accruals and impairment" is provided below for the financial years ended 31 December 2024 and 2023.

Amortisation, depreciation, accruals and impairment	2024	2023	Change	% Change
Intangible assets	36,992	31,466	5,526	18%
Property, plant and equipment	41,788	40,822	966	2%
Total amortisation/depreciation	**78,780**	**72,288**	**6,492**	**9%**
Write-down of receivables	8,959	9,778	(819)	-8%
Other impairment of non-current assets	215	-	215	0%
Total impairment and write-downs	**9,174**	**9,778**	**(604)**	**-6%**
Provisions for liabilities	3,490	8,852	(5,362)	-61%
Other provisions	1,760	1,646	115	7%
Total provisions	**5,250**	**10,498**	**(5,247)**	**-50%**
Total	**93,204**	**92,563**	**641**	**1%**

Amortisation/depreciation and impairment of non-current assets

Amortisation/depreciation reflects the normal depreciation of non-current assets over their useful life.
During the year, following a review of the estimates of the remaining useful life of certain clusters of the customer list recognised under intangible assets, an adjustment was required to the related depreciation charges. This revision resulted in an increase in depreciation for the year, reflecting the new estimated remaining useful life of the related assets. The change was treated as a change in an accounting estimate, in accordance with IAS 8.

Impairment of receivables and non-current assets

Impairment of receivables refers to the accrual for the year to the allowance for doubtful accounts to express the receivables at their presumed realisable value.
Other impairments of non-current assets include Euro 109 thousand resulting from a settlement agreement and Euro 106 thousand relating to a revision of the useful life of certain assets within the environment business unit.

Provisions for risks and other provisions

Provisions for risks for the year, amounting to Euro 3,490 thousand, include Euro 2,642 as a prudent estimate of amounts that may be paid to third parties as a result of regulatory interpretations and, for the remaining amount, substantially to employee disputes. The other provisions, amounting to Euro 1,760 thousand, mainly relate to specific provisions for the completion work for landfill sites.

Financial income and expenses

2.34 Income from equity investments

A breakdown of "Income from equity investments" is provided below for the financial years ended 31 December 2024 and 2023.

Income from equity investments	2024	2023	Change	% Change
Income from equity investments in associates	421	374	47	13%
Income from equity investments in other companies	135	44	91	206%
Total	**556**	**418**	**138**	**33%**

Income from equity investments in associates mainly includes dividends received, which are then recognised following the approvals for distribution by the shareholders' meetings of the respective companies. The total amount of Euro 421 thousand consists of Euro 319 thousand in dividends approved by Legnago Servizi S.p.A. and Euro 102 thousand in dividends approved by Consorzio GPO.

2.35 Financial income

A breakdown of "Financial Income" is provided below for the financial years ended 31 December 2024 and 2023.

Financial income	2024	2023	Change	% Change
Default interest income	1,025	1,939	(914)	-47%
Income from related companies	822	71	751	1061%
Interest income on bank and postal savings accounts	535	3,413	(2,878)	-84%
Other interest income	507	443	64	15%
Other fin. inc. from securities included in current assets that do not constitute equity investments	66	-	66	0%
Income from other companies	-	10	(10)	-100%
Total	**2,955**	**5,875**	**(2,920)**	**-50%**

The item "Financial income" mainly includes late payment interest from customers, income from AmiaVR Srl – a company under the joint control of the Municipality of Verona – for receivables recognised under non-current financial assets, and interest income on current accounts.

2.36 Financial expenses

A breakdown of "Financial expenses" is provided below for the financial years ended 31 December 2024 and 2023.

Financial expenses	2024	2023	Change	% Change
Expenses payable to subsidiaries	**16**	**-**	**16**	**N/A**
Interest expenses on loans	10,339	20,520	(10,181)	-50%
Interest expenses on current account overdrafts	2,553	2,397	156	7%
Other interest expenses	1,299	1,638	(339)	-21%
Interest expenses on bonds	1,277	384	892	232%
Bank expenses and charges	959	2,474	(1,515)	-61%
Interest expenses on security deposits	138	200	(62)	-31%
Interest expenses on leases	127	185	(58)	-31%
Interest expenses on medium-term loans	-	1	(1)	-100%
Expenses payable to third parties	**16,693**	**27,800**	**(11,107)**	**-40%**
Total	**16,708**	**27,800**	**(11,092)**	**-40%**

Financial expenses include interest payable on amounts due to banks for mortgage loans, bonds, medium/long-term loans and on uses of current account overdraft credit facilities. The reduction in financial exposure to banks for loan payables resulted in a decrease in related interest expenses. Interest expenses on bonds include those arising from the renegotiation of the loan outstanding since the previous year, as well as those accrued on the new loan taken out during the current year.

Bank charges decreased as a result of the bond financing.
The item relating to "Other interest expenses" mainly refers to the recognition in accordance with the provisions of IAS 19 of discounts and other rate subsidies and employee severance indemnities, as well as the recognition in accordance with the provisions of IFRS 16 of actual charges on lease and rental contracts.

2.37 Adjustments to financial assets

A breakdown of "Adjustments to financial assets" is provided below for the financial years ended 31 December 2024 and 2023.

Adjustments to financial assets	2024	2023	Change	% Change
Revaluations of equity investments	562	311	251	81%
Total revaluations	**562**	**311**	**251**	**81%**
Impairment of equity investments	-	(374)	374	-100%
Total impairment	**-**	**(374)**	**374**	**-100%**
Total	**562**	**(63)**	**625**	**-988%**

The amount recognised under revaluations of equity investments includes Euro 521 thousand for the adjustment of the value of the investment in Legnago Servizi S.p.A., carried out on the basis of the latest available financial statements as at 31 December 2023. The remaining amount of Euro 41 thousand related to the revaluation of Si.Ve Srl.
See the table attached at the end of these explanatory notes for details of the reference shareholders' equity.

Taxes

2.38 Income taxes

A breakdown of "Income taxes" is provided below for the financial years ended 31 December 2024 and 2023.

Income taxes	2024	2023	Change	% Change
Current taxes	36,558	24,706	11,852	48%
of which:				
- IRES	30,670	20,558	10,113	49%
- IRAP	5,748	4,055	1,694	42%
Other current taxes	139	94	45	48%
Deferred taxes	(6,060)	(4,578)	(1,482)	32%
Previous years' taxes	(336)	17	(353)	-2054%
Income from tax consolidation	(6,787)	(6,259)	(527)	8%
Total	**23,375**	**13,886**	**9,489**	**68%**

Current taxes are broken down into IRES of Euro 30,670 thousand and IRAP of Euro 5,748 thousand.
The table below shows the reconciliation between the theoretical and effective tax expense.

Consolidated tax rate reconciliation	2024	2023	Change
Aggregate pre-tax profit (loss)	**143,097**	**117,498**	**25,599**
Consolidation adjustments	(67,112)	(74,709)	7,597
Consolidated pre-tax profit (loss)	**75,985**	**42,789**	**33,196**
			-
Theoretical tax charge +24%	18,236	10,269	7,967
			-
Previous years' taxes	(336)	17	(353)
Other current taxes	139	94	45
Permanent differences	(413)	(549)	136
Actual tax charge (excluding IRAP)	17,626	9,831	7,795
Impact of current taxes (excluding IRAP) on pre-tax result	**23.20%**	**22.98%**	**0.22%**
IRAP	5,748,422	4,055	1,694
Actual tax charge including IRAP	23,375	13,886	9,489
Impact of current taxes on pre-tax result	**30.76%**	**32.45%**	**-1.69%**

The balance of deferred tax assets and liabilities amounts to Euro -6,060 thousand. Deferred tax assets derive from the costs charged in the current year and in previous years that will become tax deductible in subsequent years, while deferred tax liabilities are those borne by the positive components of income that, charged in 2024 or in previous years, do not show the characteristics to contribute to the taxable income of the current year.
Income from tax consolidation, equal to Euro 6,787 thousand, relates to operating losses transferred by subsidiaries.

Other components of the income statement

Overall profits and losses

Total profits and losses are income components directly allocated to equity. These amount to Euro 1,557 thousand for actuarial profits on employees' defined benefit plans and to Euro (3,018) thousand for changes in the hedging derivatives, with these figures considered net of the latent tax effect.

Other information

Information pursuant to Article 2427, point 5, of the Italian Civil Code

Statement of equity investments in subsidiaries and associates

List of companies consolidated on a line-by-line basis

Name	Head office	Control through the company	Share capital	Equity	Profit (Loss)	% stake	Book value
AGSM AIM Ambiente Srl	Vicenza	AGSM AIM Spa	50	6,355	(799)	100.00%	7,485
V-Reti SpA	Vicenza	AGSM AIM Spa	90,400	331,447	18,303	99.83%	316,937
AGSM AIM Calore Srl	Verona	AGSM AIM Spa	3,000	38,651	27	100.00%	37,520
ECO Tirana	Tirana	AGSM AIM Spa	1,429	4,486	1,271	49.00%	1,222
AGSM AIM Power Srl	Verona	AGSM AIM Spa	3,000	65,211	12,101	100.00%	61,776
AGSM AIM Smart Solutions Srl	Vicenza	AGSM AIM Spa	3,000	49,664	1,485	100.00%	52,582
AGSM AIM Energia SpA	Verona	AGSM AIM Spa	5,271	98,609	46,867	96.27%	135,687
Valore Ambiente Srl	Vicenza	AGSM AIM Spa	1,012	13,532	744	100.00%	13,062
AGSM Holding Albania Sh.A.	Tirana (Albania)	AGSM AIM Spa	1,146	1,809	971	75.00%	750
		AGSM AIM Ambiente Srl				25.00%	250
Serit	Cavaion Veronese (VR)	AGSM AIM Ambiente Srl	2,050	4,556	783	99.74%	3,636
S.I.T. Società Igiene Territorio Srl	Vicenza	AGSM AIM Ambiente Srl	1,000	1,045	335	100.00%	1,050
Transeco	Zevio (VR)	AGSM AIM Ambiente Srl	110	1,511	907	100.00%	440
DRV Srl	Legnago (VR)	AGSM AIM Ambiente Srl	100	551	182	100.00%	568
COGASPIU' Energie Srl	Vicenza	AGSM AIM Energia SpA	200	2,466	760	60.00%	3,889
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	Verona	AGSM AIM Power Srl	100	11,175	1	75.00%	5,572
JUWI DEVELOPMENT 02 SRL	Verona	AGSM AIM Power Srl	10	(210)	(220)	100.00%	1,567
JUWI DEVELOPMENT 08 SRL	Verona	AGSM AIM Power Srl	10	(26)	(36)	100.00%	379
Parcoeolico Carpinaccio SrL	Verona	AGSM AIM Power Srl	27	10,760	636	63.00%	5,521
Parco Eolico Riparbella Srl	Verona	AGSM AIM Power Srl	27	17,714	1,097	63.00%	6,714
Bortoli Total Green Srl	Verona	AGSM AIM Power Srl	10	7	0	100.00%	142
Green Hydrogen Venezia Srl*	Verona	AGSM AIM Power Srl	10	6,294	(16)	50.00%	3,155
Agisco Srl	Vicenza	AGSM AIM Smart Solutions Srl	10	(9)	(19)	51.00%	5
Società Intercomunale Ambiente Srl	Grumolo delle Abbadesse (VI)	Valore Ambiente Srl	11	1,586	723	49.00%	425
BLUEOIL Srl	Bolzano Vicentino (VI)	Transeco Srl	10	(493)	20	62.45%	0

*company subject to joint control

List of companies consolidated using the equity method

Name	Head office	Control through the company	Share capital	Equity	Profit (Loss)	% stake	Book value
Geotermia Triveneta Srl	Verona (VR)	AGSM AIM Calore Spa	100	187	(20)	45.00%	1,300
Consorzio GPO	Genoa	AGSM AIM Spa	20,197	22,605	27	33.46%	8,896
		AGSM AIM Ambiente Srl				4.19%	839
S.I.V.E S.r.l.	Legnago (VR)	AGSM AIM Spa	150	1,757	170	24.25%	36
Legnago Servizi S.p.a.	Legnago (VR)	SIT Spa	120	5,531	1,444	49.00%	2,002

Information pursuant to Article 2427 *bis*, as well as IFRS 7 and IFRS 13.

Financial instrument classes and fair value hierarchies

To complete the analyses required by IFRS 7 and IFRS 13, the types of financial instruments found in the financial statements are shown, with an indication of the valuation criteria applied and, in the case of financial instruments measured at fair value, of the exposure (Income Statement or Equity).

Fair value hierarchies	Notes	Amount	Financial instruments measured at fair value		Financial instruments measured at amortised cost
			Income Statement	Equity	
FINANCIAL POSITION - ASSETS					
NON-CURRENT ASSETS					
Other non-current financial assets	5	45,153	-	-	45,153
Other non-current assets	7	7,376	-	-	7,376
CURRENT ASSETS					
Trade receivables	9	515,929	-	-	515,929
Current financial assets	10	640	-	-	640
Other current assets	12	59,276	-	-	59,276
Cash and cash equivalents	13	27,130	-	-	27,130
Assets held for sale	14	2,200	-	2,200	-
FINANCIAL POSITION - LIABILITIES					
Non-current financial liabilities	16	169,483	-	-	169,483
Other non-current liabilities	20	28,918	-	1,318	27,600
CURRENT LIABILITIES					
Current financial liabilities	21	234,718	-	-	234,718
Trade payables	22	381,910	-	-	381,910
Other current liabilities	24	131,155	-	-	131,155

Fair Value Hierarchies
IFRS 7 and IFRS 13 require that financial instruments measured at fair value are classified on the basis of the quality of the sources of inputs used in determining the fair value. In particular, 3 levels of fair value are defined:
• Level 1: classified in this level are financial assets/liabilities whose fair value is determined on the basis of quoted (unmodified) prices on active markets, both Official and Over the Counter, of identical assets or liabilities;
• Level 2: classified in this level are financial assets/liabilities whose fair value is determined on the basis of inputs other than the quoted prices referred to in Level 1, but which are directly or indirectly observable on the market for these assets/liabilities;
• Level 3: financial assets/liabilities whose fair value is determined on the basis of non-observable market data are classified in this level. This category includes instruments measured on the basis of internal estimates, carried out using proprietary methods based on industry best practices.

For the breakdown of assets and liabilities between the different levels of fair value, see the table below "Fair value hierarchy".

	Notes	Level 1	Level 2	Level 3
Assets held for sale	-		2,200	
TOTAL ASSETS				
Other non-current liabilities	-	1,318		
TOTAL LIABILITIES				

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Information pursuant to Article 2427, point 9, of the Italian Civil Code

Commitments, guarantees granted and contingent liabilities not shown in the Statement of Financial Position

The Group's total commitments, guarantees and contingent liabilities amounted to Euro 698,490 thousand.
The total amount includes commitments for contracts for the purchase of electricity and gas and bank sureties in favour of the Municipalities and Entities where the award of the gas distribution service was obtained and in which electricity and gas are supplied, and the collection of waste was awarded, to the Electricity Market Operator for operations on the energy market, to Terna SpA for the dispatching of electricity and to cover the obligations arising from the Agreement for the Electricity Transmission Service and to SNAM for the gas transport service.

Information pursuant to Article 2427, point 13, of the Italian Civil Code

Revenue or cost items of exceptional amount or impact

No amount to report.

Related-party transactions

All transactions with related parties (companies in the AGSM AIM Group) were completed at arm's length.
These financial statements, consisting of the statement of financial position, the income statement, the notes thereto and the statement of cash flows, give a true and fair view of the financial position and results of operations for the year and correspond to the accounting records.

Information pursuant to Article 2427, point 22-quater, of the Italian Civil Code

Significant events after the reporting period

No matters to report.

Information pursuant to Article 2427, point 22-*quinqiues* and *sexies* of the Italian Civil Code

Name and registered office of the company preparing the consolidated financial statements

With reference to the information required by Article 2427, point 22-quinquies and sexies of the Italian Civil Code, it should be noted that the direct controlling entity was the Municipality of Verona with registered office in Piazza Bra 1 - Verona; the controlling entity prepared the Consolidated Financial Statements of the largest Group to which the Parent Company belongs and they are available at the registered office of the entity.

Information pursuant to article 2427, point 16 and 16-bis, of the Italian Civil Code

Remuneration of the Directors, Board of Statutory Auditors and Independent Auditors

	Period	Remuneration
Directors	01/01/2024-31/12/2024	1,047
Board of Statutory Auditors	01/01/2024-31/12/2024	494
Independent Auditors	01/01/2024-31/12/2024	257

Information required for the engagement pursuant to Article 149-duodecies of the Issuers' Regulation

The table below, prepared in accordance with Article 149-duodecies of the Consob Issuers' Regulation, shows the fees approved by the Shareholders' Meeting for the year 2024 for the services provided by the independent auditors BDO Italia S.p.A.

Type of service	Service provider	Beneficiary	Remuneration
Accounts audit	Parent Company audit	Parent Company	24
Accounts and sustainability audit	Parent Company audit	Parent Company	45
Accounts audit	Parent Company audit	Subsidiaries	233
Non-audit services (bond)	Parent Company audit	Parent Company	65
Total			**367**

Report of the Independent Auditors

AGSM AIM S.p.A.

Independent auditor's Report
pursuant to article 14 of
Legislative Decree n. 39, dated
January 27, 2010 and article 10 of
EU Regulation n. 537/2014

Consolidated Financial
Statements as at
December 31, 2024

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

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Relazione della società di revisione indipendente

ai sensi dell'art. 14 del D.Lgs. 27 gennaio 2010, n. 39 e dell'art.10 del Regolamento (UE) n. 537/2014

Agli Azionisti di
AGSM AIM S.p.A.

Relazione sulla revisione contabile del bilancio consolidato

Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato del Gruppo AGSM AIM (il "Gruppo"), costituito dalla situazione patrimoniale-finanziaria al 31 dicembre 2024, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle note illustrative al bilancio consolidato che includono le informazioni rilevanti sui principi contabili applicati.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 31 dicembre 2024, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. 38/'05.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio consolidato* della presente relazione. Siamo indipendenti rispetto alla Società AGSM AIM S.p.A. (la "Società") in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio consolidato nel suo complesso; pertanto su tali aspetti non esprimiamo un giudizio separato.

Aspetti chiave	Procedure di revisione in risposta agli aspetti chiave
Valutazione dei crediti verso la clientela *Nota 2.9 "Crediti commerciali"* I crediti verso la clientela al 31 dicembre 2024 mostrano un saldo pari ad Euro 504.256 migliaia. Tale voce è stata ritenuta significativa nell'ambito dell'attività di revisione in considerazione del suo ammontare e della soggettività insita nei processi e nella modalità di valutazione del fondo svalutazione crediti, che sono caratterizzati dalla stima di numerose variabili quali, principalmente, l'esistenza di indicatori di possibili perdite di valore, la determinazione dei flussi di cassa attesi ed i relativi tempi di recupero.	Le principali procedure di revisione effettuate in risposta all'aspetto chiave relativo alla valutazione dei crediti verso clientela e del relativo fondo svalutazione hanno riguardato: ▪ l'analisi delle procedure e dei processi relativi alla voce in oggetto e verifiche dell'efficacia dei controlli a presidio di tali procedure e processi; ▪ l'analisi dell'adeguatezza dell'ambiente informatico relativo agli applicativi informatici rilevanti ai fini del processo di valutazione dei crediti verso la clientela; ▪ procedure di quadratura e di riconciliazione tra i dati presenti nei sistemi gestionali e le informazioni riportate in bilancio; ▪ procedure di analisi comparativa ed analisi delle risultanze con le funzioni aziendali coinvolte; ▪ verifica della ragionevolezza del fondo svalutazione crediti tramite analisi della coerenza della metodologia utilizzata dal Gruppo con le prescrizioni dettate dal principio contabile internazionale IFRS 9 e l'accuratezza del calcolo matematico di determinazione del rischio credito; ▪ la verifica dell'informativa fornita nelle note illustrative al bilancio consolidato.
Valutazione dei diritti su beni in concessione *Nota 2.1 "Attività immateriali"* Il Gruppo espone in bilancio diritti sui beni in concessione per Euro 331.322 migliaia. Tale voce è stata ritenuta significativa nell'ambito dell'attività di revisione in considerazione del suo ammontare e della soggettività e complessità insita nei processi valutativi in base all'IFRIC12. Le infrastrutture utilizzate, rilevate in base al "*intangible asset model*" sono state oggetto di *impairment test*.	Le principali procedure di revisione effettuate, anche avvalendoci del supporto di esperti in modelli di valutazione appartenenti alla rete BDO Italia, hanno riguardato: ▪ la verifica, dell'adeguatezza del modello di *impairment test* utilizzato predisposto da un esperto indipendente incaricato dalla capogruppo; ▪ la verifica delle assunzioni chiave utilizzate alla base del modello di *impairment test*; ▪ la verifica della accuratezza matematica del modello di *impairment test* utilizzato; ▪ la verifica dell'informativa fornita nelle note illustrative al bilancio consolidato.

Impairment test dell'avviamento

Nota 2.3 "Avviamento"

Il Gruppo espone in bilancio la voce avviamento per Euro 52.985 migliaia.

Il valore iscritto come avviamento si riferisce all'operazione di aggregazione la cui contabilizzazione è avvenuta secondo quanto disposto dal principio contabile internazionale IFRS 3 "aggregazioni aziendali", che per Euro 37.099 migliaia è avvenuta residualmente secondo il processo di Purchase Price Allocation (PPA) per la parte non specificatamente attribuibile alle attività acquisite, mentre il preesistente valore della voce in oggetto si riferisce ad avviamenti acquisiti a titolo oneroso.
Tale valore è stato assoggettato ad *impairment test*, con il supporto di un esperto indipendente, al fine di verificare che esso non risultasse superiore al valore recuperabile. Il valore recuperabile degli avviamenti è stato definito rispetto al valore d'uso ed è stato calcolato per ognuna delle Cash Generating Unit ("CGU") a cui tali avviamenti sono riconducibili. Il valore d'uso delle singole CGU è stato stimato mediante la metodologia del Discounted Cash Flow ("DCF") attualizzando i flussi finanziari operativi generati dalle attività stesse ad un tasso di sconto rappresentativo del costo medio ponderato del capitale ("WACC"). Per la determinazione del valore d'uso sono stati utilizzati i flussi di cassa rivenienti da ciascuna CGU, come desunti dal piano economico 2025-2031, il quale incorpora assunzioni prospettiche che includono, in modo integrato, gli effetti attesi derivanti dai rischi connessi al cambiamento climatico, effettuate dalla Direzione di Gruppo. Nella stima del valore residuo è stato considerato un tasso di crescita oltre l'orizzonte di piano, identificato per ciascuna CGU, coerentemente con le attese di sviluppo del business. La metodologia valutativa ha incluso anche un'analisi di sensitività sui parametri valutativi utilizzati e in particolare i livelli limite di tenuta del valore del test di *impairment*. La differenza tra il valore d'uso e il capitale investito netto operativo alla data di chiusura di bilancio è stata confrontata con i valori di carico degli avviamenti iscritti nel bilancio consolidato del Gruppo.

Le principali procedure di revisione effettuate, anche avvalendoci del supporto di esperti in modelli di valutazione appartenenti alla rete BDO Italia, hanno riguardato:

- la valutazione della competenza, della capacità e dell'obiettività dell'esperto nominato dalla Direzione di Gruppo per la predisposizione del test di *impairment*;
- la verifica dell'adeguatezza del modello di *impairment* utilizzato;
- la verifica della ragionevolezza delle principali assunzioni e ipotesi sottostanti il piano economico 2025-2031, che incorpora assunzioni prospettiche che includono, in modo integrato, gli effetti attesi derivanti dai rischi connessi al cambiamento climatico, anche alla luce dei risultati effettivi rispetto alle stime effettuate;
- la verifica delle assunzioni chiave utilizzate alla base del modello di *impairment*, in particolare quelle relative alle proiezioni dei flussi di cassa, alla corretta configurazione delle CGU in coerenza con le variazioni all'interno del perimetro del Gruppo, ai tassi di sconto, ai tassi di crescita futura;
- la verifica dell'accuratezza matematica del modello di *impairment* utilizzato;
- la verifica dell'analisi di sensitività dell'*impairment* al variare delle assunzioni chiave;
- la verifica dell'informativa fornita nelle note illustrative al bilancio consolidato con particolare riguardo agli effetti attesi derivanti dai rischi connessi al cambiamento climatico.

Responsabilità degli Amministratori e del Collegio sindacale per il bilancio consolidato

Gli Amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. 38/05 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia.

Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato a meno che abbiano valutato che sussistono le condizioni per la liquidazione della capogruppo AGSM AIM S.p.A. o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

Responsabilità della società di revisione per la revisione contabile del bilancio consolidato

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;

- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;

- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa;

- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;

- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione;

- abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Abbiamo fornito ai responsabili delle attività di governance anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le azioni intraprese per eliminare i relativi rischi o le misure di salvaguardia applicate.

Tra gli aspetti comunicati ai responsabili delle attività di governance, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio consolidato dell'esercizio in esame, che hanno costituito quindi gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

Altre informazioni comunicate ai sensi dell'art. 10 del Regolamento (UE) 537/2014

L'assemblea degli Azionisti di AGSM AIM S.p.A. ci ha conferito in data 24 giugno 2021 l'incarico di revisione legale del bilancio d'esercizio della Società e del bilancio consolidato del Gruppo AGSM AIM per gli esercizi dal 31 dicembre 2021 al 31 dicembre 2029.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'art. 5, par. 1, del Regolamento (UE) 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio consolidato espresso nella presente relazione è in linea con quanto indicato nella relazione aggiuntiva destinata al Collegio sindacale, nella sua funzione di Comitato per il controllo interno e la revisione legale, predisposta ai sensi dell'art. 11 del citato Regolamento.

Relazione su altre disposizioni di legge e regolamentari

Giudizi e dichiarazione ai sensi dell'art. 14, comma 2, lettere e), e-bis) ed e-ter), del D.Lgs. 39/'10 e dell'art. 123-bis, comma 4, del D.Lgs. 58/'98

Gli Amministratori di AGSM AIM S.p.A. sono responsabili per la predisposizione della relazione sulla gestione e della relazione sul governo societario e gli assetti proprietari del Gruppo AGSM AIM al 31 dicembre 2024, incluse la loro coerenza con il relativo bilancio consolidato e la loro conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di:

- esprimere un giudizio sulla coerenza della relazione sulla gestione e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/'98, con il bilancio consolidato;
- esprimere un giudizio sulla conformità alle norme di legge della relazione sulla gestione, esclusa la sezione relativa alla rendicontazione di sostenibilità, e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/'98;

- rilasciare una dichiarazione su eventuali errori significativi nella relazione sulla gestione e in alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/'98.

A nostro giudizio, la relazione sulla gestione e le specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/'98 sono coerenti con il bilancio consolidato del Gruppo AGSM AIM al 31 dicembre 2024.

Inoltre, a nostro giudizio, la relazione sulla gestione, esclusa la sezione relativa alla rendicontazione consolidata di sostenibilità, e le specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/'98 sono redatte in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, co. 2, lettera e-ter), del D.Lgs. 39/'10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Il nostro giudizio sulla conformità alle norme di legge non si estende alla sezione della relazione sulla gestione relativa alla rendicontazione consolidata di sostenibilità. Le conclusioni sulla conformità di tale sezione alle norme che ne disciplinano i criteri di redazione e all'osservanza degli obblighi di informativa previsti dall'art. 8 del Regolamento (UE) 2020/852 sono formulate da parte nostra nella relazione di attestazione ai sensi dell'art. 14-bis del D.Lgs. 39/'10.

Verona, 22 maggio 2025

BDO Italia S.p.A.

Francesco Ballarin
Socio

AGSM AIM Separate Financial Statements

Statement of Financial Position

FINANCIAL POSITION - ASSETS	NOTES	2024	2023
Intangible assets	1	77,837,093	81,741,890
Property, plant and equipment	2	92,211,833	84,124,584
Equity investments	3	636,306,748	634,787,419
Other non-current financial assets	4	32,660,255	35,924,260
Deferred tax assets	5	7,331,700	6,942,641
Other non-current assets	6	984,555	1,284,339
Total non-current assets		**847,332,185**	**844,805,133**
Inventories	7	548,206	603,084
Trade receivables	8	26,520,103	39,413,523
Current financial assets	9	170,197,665	175,945,211
Current tax assets	10	1,433,550	22,133,954
Other current assets	11	40,619,258	41,347,507
Cash and cash equivalents	12	10,666,160	9,789,790
Total current assets		**249,984,941**	**289,233,068**
TOTAL ASSETS		**1,097,317,126**	**1,134,038,201**
EQUITY	**13**		
Share capital		95,588,235	95,588,235
Legal reserve		18,574,469	16,347,623
Other reserves		446,346,212	431,148,957
Profit (loss) for the year		30,257,384	44,536,911
Total equity		**590,766,300**	**587,621,727**
Total Equity		**590,766,300**	**587,621,727**
Non-current financial liabilities	14	163,831,519	152,417,369
Employee benefits	15	5,801,100	6,947,052
Provision for risks and charges	16	8,505,143	7,315,547
Deferred tax liabilities	17	3,633,769	3,100,597
Other non-current liabilities	18	9,575,076	11,908,708
Total non-current liabilities		**191,346,609**	**181,689,273**
Current financial liabilities	19	250,955,991	290,236,448
Trade payables	20	26,871,546	20,040,374
Current tax liabilities	21	9,764,203	17,779,869
Other current liabilities	22	27,612,477	36,670,511
Total current liabilities		**315,204,218**	**364,727,202**
TOTAL LIABILITIES		**1,097,317,126**	**1,134,038,201**

Statement of Comprehensive Income

INCOME STATEMENT	NOTES	2024	2023
Revenue		**61,554,882**	**64,150,687**
Revenue from sales and services	23	58,982,736	59,825,688
Other revenue	24	2,572,146	4,324,999
Operating costs		**50,688,013**	**48,564,987**
Raw materials and consumables	25	2,644,452	2,664,753
Services	26	42,918,707	40,873,882
Leases and rentals	27	2,307,686	2,628,952
Other operating costs	28	2,817,168	2,397,400
Added value		**10,866,868**	**15,585,700**
Personnel costs	29	20,462,078	18,936,749
EBITDA		**(9,595,210)**	**(3,351,049)**
Amortisation, depreciation, and provisions	30	**12,892,005**	**12,426,846**
Amortisation and depreciation		12,182,140	12,094,846
Other provisions		709,865	332,000
Net operating income		**(22,487,215)**	**(15,777,895)**
Financial position		**46,162,942**	**54,743,367**
Income from equity investments	31	53,458,003	64,083,276
Financial income	32	8,941,300	21,381,785
Financial expenses	33	(16,236,362)	(30,981,741)
Adjustments to financial assets	34	-	260,047
Pre-tax profit (loss)		**23,675,728**	**38,965,472**
Income taxes	35	(6,581,656)	(4,316,302)
Profit (loss) from operations		**30,257,384**	**43,281,774**
Profit (loss) from discontinued operations, net of tax effects	36	-	1,255,137
Profit (loss) for the year		**30,257,384**	**44,536,911**

Other comprehensive income that will not be subsequently reclassified to profit or loss	2024	2023
Actuarial gains/(losses) for employee benefits	1,000,071	1,989,520
Tax effect on actuarial gains (losses) for employee benefits	-	(477,485)
Total actuarial gains (losses) net of the tax effect (B)	**1,000,071**	**1,512,035**
Change in the fair value of cash flow hedging derivatives	(355,462)	(83,037)
Tax effect on change in the fair value of cash flow hedging derivatives	85,311	19,929
Total actuarial gains (losses) net of the tax effect (C)	**(270,151)**	**(63,108)**
Total comprehensive profits (losses) net of tax effect (B) + (C)	**729,920**	**1,448,927**
Total comprehensive income (A) + (B) + (C)	**30,987,304**	**45,985,838**

STATEMENT OF CASH FLOWS (figures in Euro)	2024	2023
A. Cash flows from operating activities (indirect method)		
Profit (loss) for the year	30,257,384	44,536,910
Income taxes	(6,581,657)	(4,316,301)
Interest expense	16,236,362	30,981,740
Interest income	(8,938,143)	(21,381,783)
(Dividends)	(53,461,161)	(65,338,413)
Losses deriving from the sale of assets	252,723	45,319
(Gains) deriving from the sale of assets	(166,195)	(297,363)
PROFIT/(LOSS) FOR THE YEAR BEFORE INCOME TAXES, INTEREST, DIVIDENDS AND GAINS/LOSSES ON SALES	**(22,400,687)**	**(15,769,891)**
Accruals to provisions	1,788,940	1,156,686
Amortisation and depreciation	12,182,141	12,094,846
Valuation of equity investments	-	(260,047)
Cash flows before changes in NWC	**(8,429,606)**	**(2,778,407)**
Changes in net working capital		
Decrease/(increase) in inventories	54,878	38,000
Decrease/(increase) in trade receivables	12,893,419	13,581,715
Increase/(decrease) in trade payables	6,849,403	(41,640,824)
Decrease/(increase) in accrued income and prepaid expenses	924,059	162,200
Increase/(decrease) in accrued expenses and deferred income	(1,619,000)	(1,466,013)
Other changes in net working capital	(6,206,369)	(5,492,687)
Cash flows after changes in NWC	**4,466,784**	**(37,596,016)**
Other adjustments		
Interest received	8,938,143	21,381,783
(Interest paid)	(16,236,362)	(30,981,740)
(Income tax paid)	(10,730,347)	-
Dividends received	53,461,161	65,338,413
(Use of provisions)	(952,140)	(1,251,968)
Cash flows from operating activities (A)	**38,947,239**	**16,890,472**
Intangible assets		
(Investments)	(4,298,637)	(2,277,664)
Property, plant and equipment		
(Investments)	(12,318,697)	(8,678,355)
Disinvestments	166,213	462,044
Financial fixed assets		
(Investments)	(1,519,329)	-
Disinvestments	-	15,039,474
Current financial assets		
(Investments)	-	(14,945,000)
Disinvestments	**7,009,267**	**1,914,878**
Cash flows from investing activities (B)	**(10,961,183)**	**(8,484,622)**
C. Cash flows from financing activities:		
Third party financing		
Increase (decrease) in short-term payables to banks	(7,274,649)	-
Raising of bonds	45,086,111	-
Repayment of bonds	-	(10,031,231)
Raising of loans	28,000,000	292,760
Repayment of loans	(65,000,731)	(248,566,271)
Change in centralised treasury management	5,079,583	286,765,059
Equity		
Dividends (and interim dividends) paid	(33,000,000)	(28,131,867)
Cash flows from financing activities (C)	**(27,109,686)**	**328,449**
Increase (decrease) in cash and cash equivalents (A± B ± C)	**876,370**	**8,734,299**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**9,789,789**	**1,055,490**
of which:		
bank and postal accounts	9,747,307	1,013,729
cash-in-hand and cash equivalents	42,482	41,762
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**10,666,160**	**9,789,789**
of which:		
-	10,635,110	9,747,307
cash-in-hand and cash equivalents	31,050	42,482

Statement of Changes in Equity

Equity	Share capital	Share premium/contribution reserve	Revaluation surplus	Legal reserve	Extraordinary reserve	Provision for grants related to plants	Transformation reserves as per Law 127/97	IFRS FTA Reserve	Other reserves	Cash flow hedge reserve	Retained earnings (losses)	Profit (loss) for the year	Group Total Equity
Opening Balance	95,588	384,339	201	16,348	3,875	3,194	34,836	(5,892)	10,152	43	400	44,537	587,622
Allocation of the result	-	-	-	2,227	-	-	-	-	160	-	42,150	(44,537)	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(27,800)	-	(27,800)
Other comprehensive income	-	-	-	-	-	-	-	-	1,000	(313)	-	-	687
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	30,257	30,257
Closing Balance	**95,588**	**384,339**	**201**	**18,575**	**3,875**	**3,194**	**34,836**	**(5,892)**	**11,312**	**(270)**	**14,750**	**30,257**	**590,766**

Notes to the Separate Financial Statements

General information about the company

AGSM AIM S.p.A. was founded on 1 January 2021 from the merger between AGSM Verona and AIM Vicenza, as the head of a Group with fully public capital, 61.2% of which is owned by the Municipality of Verona and 38.8% by the Municipality of Vicenza.
The Group aims to play a leading role in the energy and environment sector, as an aggregating hub, especially in the North-East. The integration has made it possible to optimise the organisational structure thanks to the establishment of six Business Units: Energy, Power, Heat, Smart Solutions, Environment and V-Reti. Through these, essential services are provided to citizens and products with high added value for the development of companies, entities and institutions. The activity extends to the sectors of electricity, gas, district heating, energy efficiency, public lighting, telecommunications services, electric mobility and environmental health.
In particular, the company, referred to as the "Parent Company", is responsible for the strategic direction and coordination of the Group's activities.
In addition, the Group companies benefit from centralised services relating to facility management, administrative, legal and financial management, planning and control, procurement, engineering, human resources, fleet management, ICT systems and quality, safety and environmental systems, all in order to optimise the resources available within the Group and to use internal know-how.

Basis of preparation

The Financial Statements of the Parent Company AGSM AIM SpA at 31 December 2024 consist of the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the notes to the financial statements.
These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005. The IFRS also include all the revised international accounting standards ("IAS"/"IFRS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").
For the statement of financial position, assets and liabilities are classified on a "current/non-current" basis, with specific separation of assets and liabilities held for sale or discontinued operations. Current assets, which include cash and cash equivalents, are those intended to be realised, disposed of or used in the Company's normal operating cycle or in the twelve months following the end of the financial year; current liabilities are those that are expected to be settled in the company's normal operating cycle or in the twelve months after the end of the reporting period. The comprehensive income statement is classified according to the nature of the costs. The statement of cash flows is presented using the indirect method. The liquidity configuration analysed in the statement of cash flows includes cash on hand and current bank accounts. The amounts presented in the financial statements are shown in Euro, whilst in the notes they are shown in thousands of Euros, unless otherwise stated.

Going concern

The political vicissitudes experienced in Europe over the last period and the consequent fluctuating trend in energy market prices have meant that the company results have undergone constant and systematic monitoring with particular attention to the analysis of deviations from forecasts.
The management analysed the management and financial indicators that did not reveal any risks linked to the ability of the AGSM AIM to operate on a going concern basis.
In consideration of the results for the year, which also include the impacts connected with the geopolitical situation, the management analysed the forecasts made with regard to possible future scenarios, including the impacts from climate change as far as they can be foreseen, excluding any impairment in the various cash generating units (CGUs) in which it is organised, also in view of the existing considerable margins.
In particular, the potential impacts arising from physical climate change risks (both chronic and acute), together with trends relating to the energy transition, have been taken into consideration by Company management in order to properly assess the effects on the current and expected results of the Company and the Group – for example, in the development of the scenarios used for the preparation of the current Business Plan 2025–2031, approved in October 2024.
Based on the performance of activities, the joint analysis of the 2024 Budget, the economic projections for 2025 and the ability to access credit, the management believes that it is in a position to proceed with managing and developing activities without questioning its ability to operate as a going concern.
Consequently, these separate financial statements of the Parent Company have been prepared on a going concern basis as it is reasonable to expect that the company will continue to operate in the near future and, in any case, for at least twelve months, as set out in IAS 1.25-26.

Financial Statements

These financial statements have been prepared on a historical cost basis, except for some financial instruments that are measured at fair value. Information about the financial statement formats applied, compared to those set out in IAS 1, and the method used to present cash flows in the statement of cash flows, compared to the provisions of IAS 7, is provided below.

- In the comprehensive income statement, costs are classified by nature based on a "graduated" classification. It is believed that this type of presentation, which is also used by the Group's principal competitors and is consistent with international practice, best represents the results of the business.
- The statement of comprehensive income comprises the profit or loss for the year and the income and expense, grouped by consistent categories, which, based on the IFRS, are allocated directly to equity.
- In the statement of financial position, current assets and current liabilities are presented separately from non-current assets and liabilities, respectively, in accordance with IAS 1.
- The columns of the statement of changes in equity reconcile the opening and closing balances of each equity caption.
- The statement of cash flows classifies cash flows by operating, investing and financing activities. Specifically, cash flows from operating activities are presented using the indirect method in accordance with IAS 7, whereby the profit or loss for the year is adjusted to reflect the effects of non-monetary transactions, prepayments and accrued income and accrued expenses or deferred income and revenue or cost items related to future cash flows from investing or financing activities.

Accounting standards

Introduction

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and financial assets held for sale, which are recognised at fair value.
There are no held-to-maturity investments. Financial transactions are recognised at the trade date.
The accounting standards used to prepare the financial statements at 31 December 2024 have also been uniformly applied to all corresponding periods.
Figures in the financial statements are in Euros, whereas in the Notes all amounts have been rounded to the nearest thousand of Euros, unless otherwise stated.

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, including direct charges necessary to bring the asset to use. The cost can comprise the finance costs directly attributable to the acquisition, construction or production of the asset. The cost can also include the expected costs of dismantling and removing the asset and restoring it to its original condition if a contractual obligation exists.
The costs incurred for extraordinary maintenance and repairs are recognised directly when incurred. The costs to expand, renovate or improve the structural elements owned or used by third parties are capitalised solely to the extent that they meet the conditions for being classified separately as an asset or as part of an asset under the component approach.
Property, plant and equipment and assets under construction are recognised at their purchase and/or production cost, including directly attributable charges, while reducing the cost by the commercial and cash discounts of a significant amount.
For plants constructed internally, the cost of the materials used, the cost of labour for the personnel used, the related social security costs, the accruals to employee severance indemnities and the portion of internal services that can be reasonably attributed to them have been accounted for.
The depreciation charged to the income statement have been calculated according to the use, purpose, and useful life of the assets over their residual useful life.
Assets under construction comprise the direct costs incurred until 31 December in the year under examination. Depreciation begins on the date that each asset becomes operative.
The expenses that increase the value of the assets, and the maintenance that results in a significant and tangible increase in production capacity or that lengthens the useful life of the assets are capitalised and generally increase the carrying amount of the related asset and are depreciated over the asset's residual useful life. Ordinary maintenance costs are expensed directly in the comprehensive income statement.
Regardless of the depreciation that has already been recognised, if an item of property, plant and equipment is impaired, its carrying amount is reduced accordingly. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Leases

Right-of-use assets are recognised on the start date of the lease, i.e. the date on which the underlying asset is available for use.
Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, and adjusted for any restatement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made on or before the commencement of the lease. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.

Lease liabilities are recognised at the present value of lease payments not yet paid at the reporting date. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the option will be exercised.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance that can be controlled and from which future economic benefits are expected. They are initially recognised at purchase and/or development cost, including direct expenses necessary to bring the asset to use. Interest expense, if any, accrued during and for the development of intangible assets, are considered part of the acquisition cost. In particular, the following intangible assets can be identified within the Company: intangible assets with a finite useful life that are amortised over their useful life and are subject to an impairment test whenever there are indications of a possible impairment; intangible assets with an indefinite useful life that are not amortised but are subject to an annual impairment test.

a) Rights on assets under concession (IFRIC 12)

Under IFRIC 12, the infrastructure used in a public-to-private service concession arrangement will not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator must either recognise a financial asset to the extent that it has an unconditional contractual right to receive cash (or another financial asset from or at the direction of the grantor for the construction services) or recognise an intangible asset to the extent that it receives a right ('licence') to charge users of the public service. Based on the Company's service concession agreements, the infrastructure used is recognised using the intangible asset model. The "Rights on assets under concession" represent the Company's right to use the assets under concession (the so-called intangible asset model), considering the fees and the costs of implementation, with the obligation to return the asset at the end of the concession.

b) Software and other intangible assets

Software and other intangible assets are recognised at cost, as described earlier, net of accumulated amortisation and impairment losses, if any. Amortisation begins when the asset is available for use and it is charged systematically over the residual period of benefit, that is, over the estimated useful life.

Impairment losses

At each reporting date, the Company checks whether there are any indications of impairment of intangible assets and property, plant and equipment. Both internal and external sources of information are used for this purpose. Internal sources include obsolescence or physical damage, significant changes in the use of the asset and the economic performance of the asset compared to estimated performance. External sources include the market value of the asset, changes in technology, markets or laws, trend in market interest rates and the cost of capital used to evaluate investments. When indicators of impairment exist, the carrying amount of the assets is reduced to the recoverable amount and any impairment loss is recognised in profit or loss. The recoverable amount of an asset is the higher of fair value less costs to sell and its value in use, the latter being the present value of future cash flows estimated for the asset in question. In calculating the value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects current market valuations of the time value of money, proportionate to the investment period, and the risks specific to the asset. For assets that do not generate largely independent cash flows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.
If the carrying amount of the cash-generating unit exceeds the recoverable amount, an impairment loss is recognised in profit or loss. The impairment loss is initially recognised as a deduction of the carrying amount of goodwill allocated to the cash-generating unit and then only applied to the other assets of the cash-generating unit in proportion to their carrying amount, up to the recoverable amount of the assets with a finite useful life. If the reasons that gave rise to an impairment loss no longer exist, the carrying amount of the asset is recognised again in profit or loss, up to the carrying amount that would have been recognised had no impairment loss been recognised and if normal amortisation/depreciation had been applied.

Equity investments

Equity investments in subsidiaries and other companies are valued using the cost method. Equity investments in associates and joint ventures are recognised using the equity method. In the event of impairment, the value of the investments is written down. The effect of this write-down is recognised in the comprehensive income statement.

Trade receivables and other current and non-current assets

Trade receivables and other financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade receivables and other financial assets are included in current assets, except for those with a contractual due date beyond twelve months after the reporting date, which are classified as non-current assets.
Impairment losses on receivables are recognised when there is objective evidence that the Company will no longer be able to recover the receivables due from the counterparty based on the contract terms.
Objective evidence includes events such as:

- significant financial difficulties of the counterparty;
- legal disputes with the counterparty over the receivables;

- probability that the counterparty will declare insolvency or other financial restructuring procedure.

The impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows and is recognised in profit or loss. If, in subsequent years, the reasons for the impairment cease to exist, the carrying amount of the asset is reinstated up to the amount that would have been recognised had the amortised cost been applied.
The valuation of financial assets is carried out based on the credit loss valuation model in application of the simplified model of expected losses envisaged by IFRS 9. The amount to be set aside was determined using information that could be supported and was available at the end of the reporting period.
Financial assets, relating to non-derivative financial instruments, with fixed or determinable payments and fixed maturity dates, which the Company intends and has the ability to hold until maturity, are classified as "held-to-maturity investments". Such assets are measured at amortised cost using the effective interest method, adjusted by impairment losses, if any. Whenever there are impairment losses, the same policies as described above for loans and receivables are applied.
Available-for-sale financial assets, including investments in other companies representing available-for-sale assets, are measured at fair value, if determinable. Changes in fair value are recognised directly in an equity reserve in other comprehensive income until they are disposed of or impaired, at which time they are reversed to profit or loss. Other unlisted investments classified as "available-for-sale financial assets" whose fair value cannot be measured reliably are measured at cost adjusted by any impairment losses, which are recognised in consolidated profit or loss, as required by the new standard IFRS 9.

Non-current assets held for sale, disposal groups and discontinued operations – IFRS 5

Non-current assets held for sale (disposal group) and discontinued operations whose book value will be recovered mainly through sale rather than through continuous use, are valued at the lower between their carrying amount and their fair value less costs to sell: any difference between the carrying amount and the fair value less any costs to sell is recognised in the Income Statement.
In accordance with the IFRS, the data relating to non-current assets held for sale and discontinued operations are presented in two specific items in the Statement of Financial Position: assets held for sale and liabilities directly associated with assets held for sale.
With exclusive reference to discontinued operations, the net economic results achieved by them during the sale process (including any capital gains/losses deriving from the sale itself) and the corresponding comparative data of the previous year are presented in a specific item in the Income Statement: net result from discontinued activities or those destined to be sold.

Inventories

Raw materials, supplies and finished products are recognised at the lower of their purchase or manufacturing cost and their realisable value based on market trends, by applying the weighted average cost method.
The resulting amount is subsequently adjusted through the specific "provision for inventory obsolescence", to account for the goods whose realisable value is expected to be less than their cost.
Contract work in progress whose duration falls within the year is measured according to the costs incurred as documented in the progress reports.
Long-term contract work in progress is recognised based on the consideration paid.

Cash and cash equivalents

Cash and cash equivalents include the cash on hand and positive balances on current bank accounts not subject to restrictions or constraints. These items are shown at their face value.

Accruals and Deferrals

They are determined on an accrual basis and in application of the matching principle. The conditions that led to the original recognition of long-term items have been checked, while making any changes, as necessary.

Financial liabilities, trade payables and other liabilities

Financial liabilities (other than derivative financial instruments), trade payables and other liabilities are initially recognised at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost applying the effective interest rate method. If there is a change in the expected cash flows, which can be reliably determined, the liabilities are recalculated to reflect this change. Financial liabilities are classified as current liabilities, unless the Company has the unconditional right to defer payment for at least twelve months after the reporting date.
Financial liabilities are derecognised at the time of their settlement and when the Company has transferred all the risks and charges relating to the instrument.

Derivatives

Financial derivatives are assets and liabilities recognised at fair value. The Company uses financial derivatives to hedge interest rate risks.
In accordance with the new IFRS 9, financial derivatives qualify as hedging derivatives only if:

- at the time that the hedge is established there is a formal designation and the hedging relationship is documented;
- the hedge is deemed highly effective;
- the effectiveness can be reliably measured;
- the hedge is highly effective during the different accounting periods for which it is designated.

When derivatives qualify for hedge accounting, the following accounting treatments are applied:

- if the derivatives hedge the risk of fluctuations in the fair value of the hedged assets or liabilities (fair value hedge; e.g., hedging fluctuations in the fair value of fixed-rate assets/liabilities), they are measured at fair value through profit or loss; accordingly, the hedged assets and liabilities are adjusted to reflect changes in fair value associated with the hedge risk;
- if the derivatives hedge the risk of fluctuations in the cash flows of the hedged assets or liabilities (cash flow hedge; e.g., hedging fluctuations in the cash flows of assets/liabilities caused by fluctuations in interest rates), changes in the fair value of derivatives are initially recognised in equity and subsequently transferred to profit or loss based on the income effects of the hedged transactions.

If hedge accounting cannot be applied, the gains or losses resulting from the measurement at fair value of the derivatives are immediately recognised in profit or loss.

Employee benefits

Short-term benefits are represented by wages and salaries, social security, indemnities in lieu of holidays and incentives in the form of bonuses payable in the twelve months after the reporting date. Such benefits are recognised under personnel costs in the period in which their services are rendered.
Post-employment benefits are divided into two categories: defined contribution plans and defined benefit plans.
In defined contribution plans, contribution costs are charged to profit or loss when incurred, based on their nominal amount.
In defined benefit plans, which include employee severance indemnities governed by article 2120 of the Italian Civil Code ("TFR"), the amount of the benefit to be paid is quantifiable only after termination of employment, and associated with one or more factors such as age, the years of service and remuneration. The liability recognised for defined benefit plans is the present value of the obligation at the reporting date. The related cost is recognised in the comprehensive income statement based on actuarial calculations. The defined benefit plan obligations are determined annually by an independent actuary using the projected unit credit method. The present value of defined benefit plans is determined by discounting future cash flows at an interest rate equal to high-quality corporate bonds issued in Euro which take into account the period of the related pension plan. With reference to the Company, this category includes the employee severance indemnities accrued as at 31 December 2006 (or at the date selected by the employee when the option to make contributions to supplementary pension funds is chosen), and the rate discounts given to former employees.
Starting from 1 January 2007, Finance Law 2007 and the related implementing decrees introduced amendments concerning the TFR. The amendments include the decision of employees as to the destination of their accruing TFR. In particular, new flows of TFR can be allocated by the employee either to selected pension funds or maintained in the company. In the case of selected pension funds, the defined contribution will be paid to the fund and, starting from such date, the new amounts accrued become defined contribution plans not subject to actuarial measurement.
Defined benefit plans also include the rate discounts that the Company provides to former employees. These discounts also entail assessments which adequately consider when the related services will be provided and, accordingly, the need to calculate them using average present values.
Changes in actuarial gains and losses are recognised in OCI in accordance with IAS 19 Revised.

Provisions for risks and charges

Provisions for risks and charges are set up to cover losses or liabilities whose existence is certain or probable but that at the end of the reporting period are uncertain as to amount or as to the date on which they will arise. Provisions are recognised only when there is a current obligation (legal or constructive) for a future outflow of resources deriving from a past event and it is probable that the outflow will be necessary to fulfil the obligation. This amount represents the best estimate of the present value of expenditures required to settle the obligation. If the effect of the time value is material, and the payment date of the obligations can be reasonably estimated, the provisions to be accrued are equal to the present value of the expected outflow, using a rate that reflects market conditions, the change in the time value of money and the risks specific to the obligation. The increase in the provision due to changes in the time value of money is recognised as interest expense.

Revenue recognition

Revenues and income are recognised net of returns, discounts and rebates, as well as taxes directly related to the sale of products and the provision of services. They are split between revenues from operating activities and financial income accruing between the date of sale and the date of payment.
In particular:
▪ revenues for distribution are recognised on the basis of the tariffs recognised by the Authority and are subject to equalisation at the end of the financial year to reflect, on an accrual basis, the remuneration recognised by the Authority for the investments made;
▪ revenues are recognised when (or gradually as) the relevant obligation is fulfilled, by transferring the promised goods or services to the customer. The transfer occurs when (or gradually as) the customer acquires control of the goods or services.

The recognised revenue corresponds to the price attributed to the relevant obligation that is measured. Revenues are only recognised if it is considered probable that the relevant amount will be received for the goods or services transferred to the customer.

Cost of goods purchased and services performed

Purchases of goods and the performance of services are recognised in profit or loss on an accrual basis.

Income taxes

Current taxes are calculated based on the taxable income for the year, applying the current tax rates at the reporting date. Deferred taxes are calculated for all differences emerging between the tax base of an asset or liability and the respective carrying amount. Deferred tax assets, not offset by deferred tax liabilities, are recognised to the extent that it is likely that future taxable income will be available against which they may be recovered. Deferred tax liabilities are determined using the tax rates that are expected to apply in the periods in which the differences will be realised or extinguished, based on the tax rates in force or substantially in force at the reporting date.
Current and deferred taxes are recognised in the income statement, except for those related to items taken directly to equity, in which case the related tax impact is also recognised directly in equity. Taxes are offset when they are levied by the same tax authority and there is a legal right to offset.

New accounting standards

The accounting standards adopted to prepare the financial statements are consistent with those used to prepare the financial statements at 31 December 2023, except for the adoption of the new standards, amendments and interpretations in force from 1 January 2024.

Standards, interpretations, amendments and improvements required for the 2024 financial statements

<u>IFRS 16 Sale and leaseback</u>
A new paragraph was introduced to the standard which concerns the method used by a selling lessee to assess the assets and liabilities recorded following a sale and leaseback transaction. In particular, it is required that the "revised lease payments" are recorded in such a way as not to generate any impact on the profit (or loss) relating to the right of use retained by the seller-lessee himself. This amendment did not have any impact on the financial position and performance.

<u>IAS 1 Presentation of financial statements (current and non-current liabilities)</u>
Already in 2020, the IASB had issued further amendments to IAS 1, aimed at better defining the classification of liabilities as current or non-current. These changes could have a significant impact on many entities, with the effect of having more liabilities classified as current (e.g. loan covenants). This amendment did not have any impact on the financial position and performance.

<u>IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments</u>
The characteristics of supply finance arrangements have been clarified and additional disclosures regarding such arrangements are required. The disclosure requirements introduced are intended to assist users of the financial statements in understanding the effects of supply finance arrangements on an entity's liabilities and cash flows and its exposure to liquidity risk. This amendment did not have any impact on the financial position and performance.

New standards and amendments issued by the IASB that are not mandatory for the preparation of the 2024 IFRS financial statements

The following amendments are effective for the annual period beginning on 1 January 2025:
• Lack of exchangeability (Amendments to IAS 21 Effects of Changes in Foreign Exchange Rates)

The following amendments are effective for the annual period beginning on 1 January 2026:
• Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)

The following amendments are effective for the annual period beginning on 1 January 2027:
• IFRS 18 Presentation and Disclosure in Financial Statements
• IFRS 19 Subsidiaries without Public Accountability: Disclosures
The Company is currently considering the effect of these new accounting standards and amendments.

Pillar Two disclosure for the consolidated financial statements

With regard to the introduction of the tax regime known as Pillar Two, the following disclosure is provided in relation to the AGSM AIM Group (the "**Group**").
In 2021, over 135 countries (the Inclusive Framework on Base Erosion and Profit Shifting, or simply the Inclusive Framework) reached an agreement on an international tax reform that introduces a global minimum tax ("Global Minimum Tax" or "GMT") for large multinational enterprises. In particular, these countries reached a political agreement on a model

of international taxation based on two pillars, aimed at addressing certain tax issues arising from the digitisation of the economy. The second of these pillars ("Pillar Two") introduces the above-mentioned Global Minimum Tax.
Within the European Union, on 12 December 2022, the Council subsequently adopted a directive (Directive (EU) 2022/2523) introducing this Global Minimum Tax into the EU legal framework. The directive established a minimum effective tax rate of 15% for domestic and multinational groups with consolidated revenue in excess of Euro 750 million per year, applicable for annual periods beginning after 31 December 2023. Several non-EU countries have also implemented similar rules, based on the Inclusive Framework.
The Italian legislature transposed Directive (EU) 2022/2523 through Legislative Decree 209/2023, introducing three related mechanisms: (i) the Income Inclusion Rule ("IIR"), payable by parent entities located in Italy in relation to foreign group companies subject to low taxation; (ii) the Undertaxed Profits Rule ("UTPR"), payable by one or more members of a multinational group located in Italy, in relation to the profits of group companies not controlled by them and subject to low taxation, where a sufficient IIR has not been applied in the countries of the parent entities; and (iii) the Qualified Domestic Minimum Top-Up Tax ("QDMTT"), payable in relation to low-taxed group companies located in Italy.
To address the financial reporting aspects connected to the significant changes arising from the introduction of the Global Minimum Tax by so many countries, the IASB subsequently published an amendment to IAS 12. The changes introduce a mandatory temporary exception whereby no deferred tax may be recognised that would arise from the implementation of Pillar Two in the relevant countries. This exception, which the Group has also applied to this disclosure, is immediately applicable and has retrospective effect. The above-mentioned amendment also requires disclosure of any potential impacts on the financial position and financial performance.
Given these complex new requirements, the Group (which falls within the scope of the GMT) is currently working to implement the necessary internal procedures to manage compliance with the Pillar Two regime as effectively and efficiently as possible, for both the Italian and foreign operations.
In this context, analyses have been carried out to estimate whether the requirements are met, in the jurisdictions where the Group operates, for applying the Safe Harbour transitional simplified regimes (as governed in Italy by the Ministerial Decree of 20 May 2024), which – if met – would exempt the Group from the more complex regime and reduce any potential top-up tax to zero.
Specifically, analyses were carried out to estimate whether a GMT was due, in certain jurisdictions, in relation to the results achieved in the financial year ended 31 December 2023. These analyses determined that in 2023 the requirements for the application of the simplified transitional regime were met in all the jurisdictions where the Group operates and, therefore, no GMT would have been due in those jurisdictions if the rules had already been in force.
A preliminary assessment was also carried out based on the data as at 31 December 2024. Based on this preliminary assessment, for the jurisdictions in which the Group operates, the conditions for applying the simplified transitional Safe Harbour regimes have been met. Accordingly, based on currently available information and implemented procedures, no GMT is considered to be payable by the Group for the 2024 tax period.

Non-recurring significant transactions

AGSM AIM SpA is the holding company of the AGSM AIM Group. Effective during the year 2024, the following corporate reorganisation and simplification operations took place:

- on 17 December 2024, AGSM AIM Calore Srl acquired a 45% shareholding in Geotermia Triveneta Srl;
- on 19 December 2024, AGSM AIM Power Srl acquired full ownership of the entire share capital of Bortoli Total Green Srl;
- on 24 June 2024, AgiSco Srl was established, with a 51% shareholding held by AGSM AIM Smart Solutions Srl;
- on 19 November 2024, the AGSM AIM Foundation was established, which is wholly owned by AGSM AIM S.p.A., and which acquired legal personality on 13 January 2025 and is recognised in the income statement as a donation;
- on 14 March 2024, Green Hydrogen Venezia Srl was established, with a 50% shareholding held by AGSM AIM Power Srl;

The restructuring of the Environment BU also continued, which included the following transactions:

- on 4 April 2024, AGSM AIM SpA acquired a shareholding in Eco Tirana;
- on 7 February 2024, AGSM AIM Ambiente Srl sold its holding in Bovolone Attiva Srl, corresponding to 40% of the company's share capital;
- on 24 January 2024, AGSM AIM S.p.A. approved the partial demerger with the transfer of assets to AGSM AIM Ambiente Srl; the transaction was suspended and had not been completed as at 31 December 2024;
- on 22 April 2024, Sicurezza Igiene Territorio S.P.A. changed its legal form from a joint-stock company to a limited liability company, consequently changing its name to Sicurezza Igiene Territorio Srl.

In addition, on 11 February 2025, Smart Care 1 Srl was established, which is wholly owned by AGSM AIM Smart Solutions Srl.

The transactions described above were aimed at completing the reorganisation process of the Group that began in the previous period and at developing synergies and integrations to improve positioning in the Group's businesses through the enhancement of the individual sector companies of their brands and territorial coverage.

3 Notes to the Statement of Financial Position

Non-current assets

3.1 Intangible assets

A breakdown of the item "Intangible assets" as at 31 December 2024, is provided below with the relevant changes.

Net value	Industrial patents and intellectual property rights	Concessions, licences, trademarks, and similar rights	Intangible assets under development	Other	Total
Opening Balance	2,924	77,884	715	219	81,742
Investments	3,346	669	284	-	4,299
Reclassifications	746	63	(629)	-	179
Amortisation and depreciation	(1,442)	(6,908)	-	(33)	(8,383)
Closing Balance	**5,573**	**71,708**	**369**	**186**	**77,837**

Within intangible assets, the most significant amounts related to concessions. Assets under concession refer to property, plant and equipment and intangible assets serving the concessions that meet the requirements to be recognised in accordance with IFRIC 12. They are related for Euro 17,868 thousand to the integrated water service concession of the city of Verona, for Euro 23,622 thousand to property, plant and equipment serving the concessions of the integrated water service of the city of Vicenza, and for Euro 30,071 thousand to property, plant and equipment serving the concessions related to gas distribution in the Municipality of Treviso.
Concessions are mainly amortised on a straight-line basis over the term of the concession agreements.
Intellectual property rights refer to costs incurred for software. The increase recorded during the year was mainly attributable to installation expenses for the new management system. Amortisation is estimated over a period of 5 years on a straight-line basis.

3.2 Property, plant and equipment

The breakdown of property, plant and equipment at 31 December 2024 and the changes occurred during the year, with regard to the historical cost of non-current assets is shown below.

Historical cost	Land and Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Right-of-use assets	Property, plant and equipment under development	Total
Opening Balance	98,588	41,119	3,334	15,225	2,165	17,979	178,410
Investments	583	1,303	-	316	238	9,879	12,319
Disposals and Sales	(1,012)	(1,943)	(34)	(30)	(81)	-	(3,101)
Reclassifications	123	543	104	-	-	(949)	(179)
Closing Balance	**98,282**	**41,022**	**3,404**	**15,511**	**2,321**	**26,909**	**187,449**

Investments mainly related to the following:

- Revamping of the anaerobic digestion plant for the organic fraction of solid urban waste in the amount of Euro 5,106 thousand – as at 31 December 2024, the plant had not yet passed full-capacity testing and is expected to enter into operation during 2025;
- Construction of plants for the production of wind and photovoltaic renewable energy;
- Construction of the infrastructure part for IT development projects (hardware equipment);
- Extensions and improvements to buildings and general installations of the company sites and their appurtenances.

Disposals mainly related to the refurbishment of the electrical substation at the Verona company site.
The changes during the year with respect to accumulated depreciation are shown below.

Accumulated Depreciation	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Right-of-use assets	Total
Opening Balance	40,532	36,679	3,010	12,849	1,215	94,286
Disposals and Sales	(976)	(1,762)	(34)	(30)	(46)	(2,848)
Amortisation and depreciation	2,069	427	65	787	451	3,799
Closing Balance	**41,625**	**35,344**	**3,041**	**13,607**	**1,620**	**95,237**

An analysis is provided below of the net balance of the individual items belonging to property, plant and equipment as at 31 December 2024.

Net value	Land and Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Right-of-use assets	Assets under construction	Total
Opening Balance	58,057	4,440	323	2,376	950	17,979	84,125
Investments	583	1,303	-	316	238	9,879	12,319
Disposals and Sales	(36)	(181)	-	-	(36)	-	(253)
Reclassifications	123	543	104	-	-	(949)	(179)
Amortisation and depreciation	(2,069)	(427)	(65)	(787)	(451)	-	(3,799)
Closing Balance	**56,657**	**5,678**	**362**	**1,905**	**701**	**26,909**	**92,212**

Land and buildings mainly refer to buildings and appurtenances of the company offices (Euro 50,851 thousand), and to buildings and appurtenances of the Cà del Bue power plant.
Plant and machinery consists mainly of general plant at the various company sites.
Other assets mainly include IT equipment and video surveillance systems amounting to Euro 1,514 thousand, office furniture and furnishings of Euro 370 thousand, and, for the remainder, vehicles and transport equipment used by the various business divisions.
Right-of-use assets include immovable property covered by lease agreements and motor vehicles in the vehicle fleet covered by long-term rental agreements.
Assets under construction relate to the revamping works on the anaerobic digestion section of the solid urban waste treatment facility at Cà del Bue in the amount of Euro 18,893 thousand, in addition to Euro 6,345 thousand relating to activities linked to the development of new renewable energy plants from wind sources and, for the remainder, other renewable sources.

Depreciation rates

	Economic/Technical Rates
- Buildings	1.67% - 6.00%
- General plant and machinery	3.33% - 6.00%
- Meters and measuring instruments	6.67%-8.70%
- Equipment, instrumentation and tools	5.00-10.00%
- Vehicles and trucks	5.00%-6.67%-20.00%-25.00%
- Electronic machinery	20.00%
- Assets under concession (water and gas)	1.75%-10.00%
- Concessions and leasehold improvements	duration of concession
- Software licences	20.00%

3.3 Equity investments

For the non-current equity investments at 31 December 2024 and with reference to each equity investment held, the final amount and the amounts relating to any revaluations, impairment losses and changes that occurred during the year, are shown below.
As a result of the business combination that took place in 2021, according to IFRS 3 - Business combinations - the value of certain equity investments includes the fair value measurement as an allocation of the price related to the business combination transaction.

Equity investments	Opening balance	Investments	Closing Balance
V-Reti SpA	316,937	-	316,937
AGSM AIM Energia SpA	135,687	-	135,687
AGSM AIM Power Srl	61,776	-	61,776
AGSM AIM Smart Solutions Srl	52,582	-	52,582
AGSM AIM Calore Srl	37,520	-	37,520
Valore Ambiente Srl	13,062	-	13,062
AGSM AIM Ambiente Srl	7,188	297	7,485
AGSM Holding Albania Sh.A. (in liquidation)	750	-	750
ECO Tirana	-	1,222	1,222
Total	**625,502**	**1,519**	**627,021**
Consorzio GPO	8,896	-	8,896
SI.VE Srl	36	-	36
Total	**8,932**	**-**	**8,932**

In 2024, the reorganisation was completed of the equity investments held directly and indirectly by AGSM AIM S.p.A. within the environment division.

With regard to the direct investment in AGSM AIM Ambiente Srl, the increase in value was attributable to the coverage of the loss for the year 2023. In addition, shares representing 49% of the share capital of Eco Tirana Sh. were purchased from the subsidiary AGSM Holding Albania Sh.A in liquidation during the year. A.

Equity investments in subsidiaries

Name	Head office	Share capital	Equity	Profit (Loss)	% stake	Book value
V-Reti SpA	Vicenza	90,400	331,447	18,303	100.00%	316,937
AGSM AIM Energia SpA	Verona	5,271	98,609	46,867	95.00%	135,687
AGSM AIM Power Srl	Verona	3,000	65,211	12,101	100.00%	61,776
AGSM AIM Smart Solutions Srl	Vicenza	3,000	49,664	1,485	100.00%	52,582
AGSM AIM Calore Srl	Verona	3,000	38,651	27	100.00%	37,520
Valore Ambiente Srl	Vicenza	1,012	13,532	744	100.00%	13,062
AGSM AIM Ambiente Srl	Vicenza	50	6,355	(799)	100.00%	7,485
AGSM Holding Albania Sh.A.	Tirana (Albania)	1,145	1,809	971	75	750
ECO Tirana	Tirana	1,429	4,486	1,271	49	1,222
Total						**627,021**

The value of equity investments was tested for impairment when the value exceeded the corresponding share of equity.

Equity investments in associates

Name	Head office	Share capital	Equity	Profit (Loss)	% stake	Book value
Consorzio GPO	Reggio Emilia	20,197	22,605	27	33.46%	8,896
S.I.V.E S.r.l.	Legnago (VR)	150	1,757	168	24.25%	36
Total						**8,932**

The equity investment in Consorzio GPO is measured using the equity method, adjusted to reflect the performance of the investee, Astea Spa. The equity investment has been valued at Euro 8,896 thousand and there have been no significant changes compared to the previous year.
The composition of the Consortium Fund is as follows:

- IRETI Spa equity investment of Euro 12,593 thousand, equal to 62.35%;
- AGSM AIM SpA equity investment of Euro 6,759 thousand, equal to 33.46%;
- AGSM AIM Ambiente Srl equity investment of Euro 845 thousand equal to 4.19% (previously held by AMIA Verona Spa).

S.I.Ve. is measured using the cost method for Euro 36 thousand. The figures shown in the table refer to the financial statements as at 31 December 2024.

Impairment test on equity investments in subsidiaries, associates and other

For all equity investments that have a higher carrying amount than the corresponding fraction of Shareholders' Equity and/or whenever the presence of specific impairment indicators is detected, an impairment test is conducted.
The recoverable value of the equity investments was determined on the basis of the current value of the corresponding expected net cash flows attributable to the investee companies. It is specified that these cash flows are consistent with those used for the CGU Impairment Test in the Consolidated Financial Statements. The same applies to the methodological approach, the basic assumptions and the discount rates adopted, which are better detailed in the Consolidated Annual Financial Report, to which reference should be made for further details. The results of the Impairment Test carried out did not result in any write-down and/or revaluation of the values recorded as at 31 December 2024.

3.4 Other non-current financial assets

A breakdown of Other non-current financial assets at 31 December 2024 and 2023 is provided below.

Other non-current financial assets	2024	2023	Change	% Change
Financial receivables from subsidiaries	6,417	9,781	(3,364)	-34%
Financial receivables from others	11,398	11,198	200	2%
Financial receivables from subsidiaries of parent companies	14,845	14,945	(100)	-1%
Total	**32,660**	**35,924**	**(3,264)**	**-9%**

Financial receivables from subsidiaries of parent companies, amounting to Euro 14,845 thousand, refer to the sale of the equity investment in AMIA VERONA S.p.A. to AMIA VR Srl.

Financial receivables from others, amounting to Euro 11,398 thousand, mainly refer to the present value of the receivable from the Municipality of Verona for the residual value of the water assets under concession.
The item “Financial receivables from subsidiaries” refers to the non-current portion of mortgage loans granted to AGSM AIM Power Srl for Euro 4,140 thousand and Eco Tirana Sha for Euro 2,188 thousand.
This item also includes financial receivables from the subsidiary Blue Oil Srl, for which a total impairment provision of Euro 250 thousand has been made.
An interest rate reflecting the average cost of AGSM AIM SpA's bank loans, i.e. in line with that available on the market, is applied to loans granted to wholly-owned subsidiaries.

3.5 Deferred tax assets

This item includes the receivable for deferred tax assets arising from the costs charged during the current and previous years, which will become tax deductible in subsequent years. The recovery is due to costs charged in previous years that met the requirements for deductibility from taxable income in 2024. The item is broken down below:

Deferred tax assets	2024	2023	Change	% Change
Deferred tax assets	7,332	6,943	389	6%
Total	**7,332**	**6,943**	**389**	**6%**

Further details about changes in this item are provided in the final part of the note.

3.6 Other non-current assets

A breakdown of "Other non-current assets" as at 31 December 2024 and 2023, is provided below.

Other non-current assets	2024	2023	Change	% Change
Security deposits	582	584	(2)	-
Prepaid expenses	322	614	(292)	-48%
Other receivables	81	86	(5)	-6%
Total	**985**	**1,284**	**(300)**	**-23%**

The item “Other non-current assets” mainly consists of receivables for security deposits of Euro 582 thousand and prepaid expenses of Euro 322 thousand relating to the principal portions of post-employment benefit insurance policies.
Other receivables, amounting to Euro 81 thousand, relate to the principal and interest on the INA collective policy.

Current assets

3.7 Inventories

A breakdown of "Inventories" at 31 December 2024 and 2023 is provided below.

Inventories	2024	2023	Change	% Change
Raw materials, consumables and supplies	1,243	1,298	(55)	-4%
Provision for warehouse write-downs	(700)	(700)	-	-
Advances	5	5	-	-
Total	**548**	**603**	**(55)**	**-9%**

Inventories of raw materials, consumables and supplies consist of consumable materials used in corporate activities for maintenance and consumption. The above amount is shown net of a provision for inventory write-downs of Euro 700 thousand set aside to show inventories at their estimated realisable value.

3.8 Trade receivables

A breakdown of "Trade receivables" is provided below for the financial years ended 31 December 2024 and 2023.

Trade receivables	2024	2023	Change	% Change
Trade receivables	10,802	5,909	4,893	83%
Receivables from parents	2	-	2	-
Receivables from subsidiaries	13,501	31,012	(17,511)	-56%
Receivables from subsidiaries of the parent company	2,196	2,372	(176)	-7%
Receivables from associates	19	121	(102)	-85%
Total	**26,520**	**39,414**	**(12,893)**	**-33%**

Trade receivables

Trade receivables mainly consist of receivables for environmental health tariffs and services provided in the Municipality of Vicenza, for gas distribution in the Municipality of Treviso, and for the rental of water networks.

Trade receivables are stated net of the allowance for doubtful accounts, the changes in which are shown below:

Allowance for doubtful accounts	Opening balance	Accrual	Uses	Closing Balance
Allowance for doubtful accounts	2,506	-	(32)	2,474
Total	**2,506**	**-**	**(32)**	**2,474**

The allowance for doubtful accounts represents the quantification of the insolvency risk in relation to existing receivables from customers calculated on the basis of specific analytical assessments. The current amount of the allowance was deemed adequate and no further provisions were made during the year. The use of Euro 32 thousand relates to derecognised positions that were closed due to bankruptcy proceedings.

Receivables from subsidiaries

Receivables from subsidiaries, amounting to Euro 13,501 thousand, mainly consist of receivables for corporate services provided to them, including interest charged in connection with group cash pooling.

Receivables from subsidiaries of parents

Receivables from subsidiaries of parents, amounting to Euro 2,196 thousand, refer to the company Acque Veronesi Scarl for the activities carried out under service agreements, the rental and maintenance of the cogeneration plant and the water treatment plant.

3.9 Current financial assets

A breakdown of "Current financial assets" is provided below for the financial years ended 31 December 2024 and 2023.

Current financial assets	2024	2023	Change	% Change
Other equity investments in current assets	21	21	-	0%
Financial derivatives not included among non-current assets	-	43	(43)	0%
Financial assets for the centralised treasury management towards subsidiaries	167,357	172,437	(5,080)	-3%
Financial receivables from subsidiaries - current portion	2,719	2,363	356	15%
Financial receivables from subsidiaries of parents - current portion	100	100	-	0%
Financial receivables for dividends from subsidiaries	-	982	(981)	-100%
Total	**170,198**	**175,945**	**(5,748)**	**-3%**

Financial assets for centralised treasury management towards subsidiaries, amounting to Euro 167,357 thousand, include outstanding receivables from subsidiaries for group cash pooling services.
The current portion of financial receivables from subsidiaries, amounting to Euro 3,059 thousand, refers to the portions of loans granted to subsidiaries and falling due by the end of the following year. They mainly refer to the portions attributable to AGSM AIM Power for Euro 1,979 thousand.
Financial receivables for dividends from subsidiaries outstanding as at 31 December 2023 were fully collected during the year.
As at 31 December 2023, the current financial assets also included the positive fair value of hedging derivative contracts in place at the measurement date. As at 31 December 2024, this item was negative and was therefore recognised under other non-current liabilities.

3.10 Current tax assets

A breakdown of "Current tax assets" is provided below for the financial years ended 31 December 2024 and 2023.

Current tax assets	2024	2023	Change	% Change
Current tax assets – IRAP	1,411	1,411	-	-
Current tax assets – IRES	22	20,723	(20,700)	-100%
Total	**1,434**	**22,134**	**(20,700)**	**-94%**

3.11 Other current assets

A breakdown of “Other current assets” is provided below for the financial years ended 31 December 2024 and 2023.

Other current assets	2024	2023	Change	% Change
Receivables from subsidiaries	26,419	26,631	(212)	-1%
Tax receivables	9,331	9,974	(643)	-6%
Other receivables	3,174	2,261	912	40%
Current prepaid expenses	564	837	(273)	-33%
EEC - Energy Efficiency Certificates	408	408	-	-
Incentive receivables on renewable sources	242	21	222	1,052%
Receivables from CSEA	239	1,029	(790)	-77%
Advances to suppliers	207	114	93	81%
Accrued income	34	72	(37)	-52%
Total	**40,619**	**41,348**	**(728)**	**-2%**

The item “Receivables from subsidiaries”, amounting to Euro 26,419 thousand, mainly refers to receivables for Group VAT and tax consolidation.
The item “Tax receivables” amounts to Euro 9,331 thousand and mainly includes the annual VAT credit.
The item “Other receivables” totals Euro 3,174 thousand and mainly includes prepaid costs, receivables from the Gestore dei Servizi Energetici (Manager of Energy Services), and receivables from employees.
The item “Prepaid expenses”, amounting to Euro 564 thousand, mainly refers to amounts paid in advance for sponsorship contracts, software licence fees, the use of application platforms, and advances on concession charges related to the water supply and sewerage system of the Municipality of Vicenza.
The item “Energy efficiency certificates” amounts to Euro 408 thousand and refers to white certificates.
The item “Incentive receivables”, amounting to Euro 242 thousand, consists of receivables for contributions recognised by the Gestore dei Servizi Energetici (Manager of Energy Services).

The item “Receivables from CSEA”, amounting to Euro 239 thousand, consists of amounts related to equalisation adjustments and tariff components yet to be collected from the Cassa per i Servizi Energetici e Ambientali.

3.12 Cash and cash equivalents

A breakdown of "Cash and cash equivalents" is provided below for the financial years ended 31 December 2024 and 2023.

Cash and cash equivalents	2024	2023	Change	% Change
Bank and postal accounts	10,635	9,747	888	9%
Cash-in-hand and cash equivalents	31	42	(11)	-27%
Total	**10,666**	**9,790**	**876**	**9%**

The amount of Euro 10,666 thousand refers to demand cash and cash equivalents available at banks at the reporting date, of which Euro 10,635 thousand refers to bank current account balances and the rest to cash and cash on hand. For details and an analysis of changes in this item, see the statement of cash flows in the financial statements, summary details of which are provided in the table below.

3.13 Equity

The table on the following page summarises the movements in the equity items during the year.
Pursuant to Article 2427, point 7 bis, of the Italian Civil Code, the Legal reserve can only be used to cover losses. Other reserves, for the portion that includes the revaluation of investments measured with the equity method, are used to cover losses and increase share capital. All other reserves, on the other hand, can be used to cover losses, increase share capital and also for distribution to shareholders.

Share Capital

The share capital of AGSM AIM S.p.A., equal to Euro 95,588 thousand, is unchanged from last year. 61.2% is owned by the Municipality of Verona and 38.8% by the Municipality of Vicenza and consists of 63,725,490 ordinary shares with a nominal value of Euro 1.5 each.

Legal reserve

The legal reserve of Euro 18,574 thousand was increased during the year, with the allocation of part of the 2023 profits.

Other reserves

The Share premium/contribution reserve from shares/contributions amounts to Euro 384,339 thousand. It was set up in 1999 following the completion of the Special Enterprise's valuation process and decreased by Euro 2,921 thousand in 2001 in relation to the free capital increase, concurrently with the conversion into Euro. In 2021 it increased even further following the increase approved for the issue of the shares to be assigned to the shareholders of the merged Companies, as part of the extraordinary transaction for the re-structuring of the Group.
The extraordinary reserve amounts to Euro 3,875 thousand and is unchanged compared to the previous year.
The reserve for contributions of Euro 3,194 thousand includes the residual portions (not included in the above-mentioned share premium/contribution reserve) of capital contributions for investments received up to 31 December 1997 and recognised under the equity components, in line with the accounting criteria adopted up to that date.
The reserve for adjusting values under Law 127/97 for Euro 34,836 thousand was recognised in 2000 following the adjustment of the values of the assets contributed by the Special Enterprise to the joint stock company on 1 January 2000, based on the valuations prepared by the Board of Directors with reference to the appraisal prepared pursuant to and for the purposes of Article 2343 of the Italian Civil Code.
The item "Other reserves" of Euro 11,312 thousand refers to the effects of previous revaluations of equity investments on equity and the recognition of actuarial gains and losses on valuations of the defined benefit plans.
The expected cash flow hedge reserve, standing at Euro 270 thousand, includes the fair value (net of the tax effect) and its changes of the financial instruments held by the Company to hedge the interest rate risk on certain loans.
The IFRS FTA reserve represents the amount as at 1 January 2021 for the adoption of IAS/IFRS.
Retained earnings, which amounted to Euro 14,750 thousand at the end of the year, increased due to the allocation of the previous year's result and decreased due to the distribution of dividends.
The result for 2023, which amounted to Euro 44,537 thousand, with a resolution of 12 June 2024, was allocated to the legal reserve for Euro 2,227 thousand, the revaluation reserve for Euro 160 thousand, the retained earnings reserve for Euro 14,350, and for the remaining part equal to Euro 27,800 thousand as dividends to shareholders.
A total of Euro 33,000 thousand in dividends was distributed during the year, relating to years prior to the reporting year.

Profit (loss) for the year

Profit for the year 2024 amounted to Euro 30,257 thousand.

Equity	Share capital	Share premium/contribution reserve	Revaluation surplus	Legal reserve	Extraordinary reserve	Provision for grants related to plants	Transformation reserves as per Law 127/97	IFRS FTA Reserve	Other reserves	Cash flow hedge reserve	Retained earnings (losses)	Profit (loss) for the year	Total Equity
Opening Balance	95,588	384,339	201	16,348	3,875	3,194	34,836	(5,892)	10,152	43	400	44,537	587,622
Allocation of the result	-	-	-	2,227	-	-	-	-	160	-	42,150	(44,537)	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(27,800)	-	(27,800)
Other comprehensive income	-	-	-	-	-	-	-	-	1,000	(313)	-	-	687
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	30,257	30,257
Closing Balance	**95,588**	**384,339**	**201**	**18,574**	**3,875**	**3,194**	**34,836**	**(5,892)**	**11,312**	**(270)**	**14,750**	**30,257**	**590,766**

Non-current liabilities

3.14 Non-current financial liabilities

A breakdown of the item "Non-current financial liabilities" at 31 December 2024 and 2023 is provided below.

Non-current financial liabilities	2024	2023	Change	% Change
Bonds	55,140	-	55,140	N/A
Bank loans	108,333	151,965	(43,632)	-29%
Loans and borrowings from other financial backers	358	452	(94)	-21%
Total	**163,832**	**152,417**	**11,414**	**7%**

The item "Bonds", amounting to a total of Euro 55,140 thousand, includes a nominal amount of Euro 10,071 relating to the non-current portion of the non-convertible, unsubordinated and unsecured bond loan, with an original value of Euro 70,500 thousand, placed on the Main Securities Market, a regulated market managed by the Euronext Dublin Irish Stock Exchange. The first issue of Euro 50,000 thousand was listed on 20/09/2017, while a second tranche amounting to Euro 20,500 thousand was issued on 17/09/2018. This bond was originally due to be extinguished during the year and, consequently, as at 31 December 2023 the non-current portion was zero. However, on 20/09/2024, it was renegotiated for a nominal amount of Euro 10,071 thousand and the new maturity date is 20/09/2027. In addition, on 07/08/2024, a new bond was issued for a nominal amount of Euro 46,000 thousand, with a maturity date of 07/08/2031.
Total long-term bank loans amounted to Euro 108,333 thousand (nominal value Euro 108,661 thousand), and consisted of the principal portion of the loans. Some loans granted by banks, as well as the bonds, require compliance with financial covenants, which have been met as at 31 December 2024. The costs incurred by the Company to obtain bank loans were initially recognised with a reduction in financial liabilities and subsequently recognised among financial expenses using the amortised cost method in accordance with IFRS 9.
The item "Loans and borrowings from other financial backers", amounting to Euro 358 thousand, include the non-current portion of lease payables for property, plant and equipment recorded in accordance with IFRS 16.

3.15 Employee benefits

The breakdown of "Employee benefits" at 31 December 2024 and the changes occurred compared to 31 December 2023 are shown below:

Employee benefits	Opening balance	Accruals	Uses	Other changes	Other comprehensive income	Closing Balance
Employee severance indemnities	2,832	942	(147)	(836)	(97)	2,694
Provision for rate discounts	4,115	137	(242)	-	(903)	3,107
Total	**6,947**	**1,079**	**(389)**	**(836)**	**(1,000)**	**5,801**

In compliance with IAS 19, the employee severance indemnities (TFR) and discounts from tariff rates applied to former employees have been considered as defined benefit obligations and consequently, the related liability is measured using actuarial techniques. In accordance with IAS 19R, actuarial valuations are carried out based on the accrued benefit method using the Projected Unit Credit Method.
This method calculates the TFR accrued at a specified date on an actuarial basis, allocating the charge over the residual work life of current employees.
The technical assessments required by the application of IAS 19 were carried out on the basis of the technical-economic assumptions set out below.

Summary of the technical and economic bases	2024	2023
Discounting annual rate	3.38%	3.17%
Annual inflation rate	2.00%	2.00%
TFR annual growth rate	3.00%	3.00%
Effective annual remuneration growth rate	0.75%	0.75%

It should be noted that:

- the annual discount rate used to determine the current value of the bond has been calculated, in line with paragraph 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 10+ recorded at the valuation date. To this end, the yield was chosen with a duration comparable to the duration of the group of workers being assessed;

- the annual rate of increase in severance pay, as provided for by Article 2120 of the Italian Civil Code, is equal to 75% of inflation plus 1.5 percentage points;
- since the Company had an average of fewer than 50 employees during 2006, the annual wage growth rate used was determined based on the data provided by the Companies.

3.16 Provision for risks and charges

The breakdown of "Provision for risks and charges" at 31 December 2024 and the changes occurred compared to 31 December 2023 are shown below.

Provision for risks and future charges	Opening balance	Accruals	Uses	Other changes	Closing Balance
Provision for sundry risks	5,253	710	(563)	1,042	6,443
Provision for future charges	2,063	-	-	-	2,063
Total	**7,316**	**710**	**(563)**	**1,042**	**8,505**

The provision for other risks amounts to Euro 6,443 thousand and relates to pending litigation, claims for compensation, or risks associated with asset items that have potential recoverability issues and for which it was considered prudent to make a provision for risks. The movements during the year mainly relate to the area of employees and property, plant and equipment.
The provision for future charges amounts to Euro 2,063 thousand, unchanged compared to the previous year. It relates to the estimate of possible future charges for company production sites.

3.17 Deferred tax liabilities

The table below shows the changes occurred compared to 31 December 2023 of the item "Deferred tax liabilities" at 31 December 2024.

Deferred tax liabilities	Opening balance	Uses	Other changes	Closing Balance
Provisions for taxes, including deferred tax liabilities	3,101	(212)	745	3,634
Total	**3,101**	**(212)**	**745**	**3,634**

The provision for taxes, including deferred taxes, includes the payable for deferred tax liabilities for positive income components which, recognised in 2024 or in previous years, do not show the characteristics for contributing to the taxable income for the current year, by virtue of the application of tax provisions. Deferred tax liabilities originated mainly from differences between the statutory and tax values of fixed assets. Further details about changes in the provision item are provided in the final part of the note.

3.18 Other non-current liabilities

The breakdown of "Other non-current liabilities" at 31 December 2024 and the changes occurred compared to 31 December 2023 are shown below.

Other non-current liabilities	2024	2023	Change	% Change
Derivative financial instruments	355	-	355	N/A
Deferred income	9,220	11,909	(2,689)	-23%
Total	**9,575**	**11,909**	**(2,334)**	**-20%**

The item "Financial derivatives" includes the negative fair value of hedging derivative contracts outstanding on the measurement date.
The essential information on existing derivative contracts is provided below.

Contract date	Type	Counterparty	Closing Date	Purpose	Risk hedged	Notional	MU	Fair Value at 31/12/24
09/09/2015	Interest rate swaps	BPER	29/12/2028	Hedging	Interest Risk	8,640	-	(137)
13/02/2024	Interest rate swaps	BNL BNP Paribas	31/12/2028	Hedging	Interest Risk	13,680	-	(219)
								(355)

Deferred income is composed of prepaid capital grants related to plants recognised to profit or loss on the basis of the useful life of the assets to which they refer, from the moment they enter into operation.

Current liabilities

3.19 Current financial liabilities

The breakdown of "Current financial liabilities" at 31 December 2024 and the changes occurred compared to 31 December 2023 are shown below.

Current financial liabilities	2024	2023	Change	% Change
Bank borrowings	152,097	152,595	(498)	0%
Loans and borrowings from other financial backers	956	1,008	(52)	-5%
Payable to the Municipality of Vicenza for approved dividends	25,530	31,220	(5,690)	-18%
Payable to the Municipality of Verona for approved dividends	40,270	39,780	490	1%
Financial payables to subsidiaries	32,103	55,580	(23,477)	-42%
Bonds	-	10,054	(10,054)	-100%
Total	**250,956**	**290,236**	**(39,280)**	**-14%**

Bank borrowings amount to a total of Euro 152,097 thousand and consist of loans maturing within the next financial year amounting to Euro 58,162 thousand and bank overdrafts of Euro 93,935 thousand.
Loans and borrowings from other financial backers, amounting to Euro 956 thousand include the short-term portion of lease liabilities on property, plant and equipment recognised in the financial statements in accordance with the financial method for accounting for leases as set out in IFRS 16.
The payables to the Municipality of Vicenza and the Municipality of Verona for dividends approved amount to Euro 25,530 thousand and Euro 40,270 thousand respectively.
Financial payables to subsidiaries, amounting to Euro 32,103 thousand, mainly relate to the group cash pooling.

3.20 Trade payables

The breakdown of "Trade payables" at 31 December 2024 and the changes occurred compared to 31 December 2023 are shown below.

Trade payables	2024	2023	Change	% Change
Advances	129	125	4	3%
Trade payables	15,894	10,282	5,612	55%
Payables to subsidiaries	10,703	9,607	1,097	11%
Payables to subsidiaries of the parent companies	145	27	119	437%
Total	**26,872**	**20,040**	**6,831**	**34%**

The item "Trade payables", amounting to Euro 15,894 thousand, consists of trade payables, net of the credit notes to be received, including both payables for invoices received, but not yet past due, and payables accrued in relation to the relevant purchases and services received in the following year.
The item "Payables to subsidiaries", amounting to Euro 10,703 thousand, includes trade payables for services and supplies as detailed at the end of the notes.

3.21 Current tax liabilities

The breakdown of "Current tax liabilities" at 31 December 2024 and the changes occurred compared to 31 December 2023 are shown below.

Current tax liabilities	2024	2023	Change	% Change
Current tax payables for IRES	9,764	17,780	(8,016)	-45%
Total	**9,764**	**17,780**	**(8,016)**	**-45%**

Current tax payables refer to income tax.

3.22 Other current liabilities

A breakdown of "Other current liabilities" at 31 December 2024 and 2023 is provided below.

Other current liabilities	2024	2023	Change	% Change
Tax payables	16,471	11,415	5,056	44%
Other current payables	3,244	3,212	32	1%
Payables to employees	2,598	2,461	137	6%
Payables to social security and welfare institutions	1,310	1,199	111	9%
Accrued expenses	1,240	249	991	398%
Sundry payables to subsidiaries	1,089	17,132	(16,043)	-94%
Deferred income	511	431	79	18%
Security deposits	500	452	47	10%
Payables for excise duties	188	-	188	-
Payables to CSEA	452	107	344	321
Sundry payables to subsidiaries of parent companies	11	11	-	-
Total	**27,612**	**36,671**	**(9,058)**	**-25%**

The item "Tax payables" amounts to a total of Euro 16,471 thousand and includes the Group's VAT payable to Tax Authorities of Euro 15,138 thousand.
The item "Other current payables", amounting to Euro 3,244 thousand, mainly includes payables to the Municipality of Vicenza relating to amounts collected for TARI (waste collection tax) on its behalf, as well as payables for other post-employment provisions.
The item "Payables to employees", amounting to Euro 2,598 thousand, mainly relates to the consideration due for the productivity bonus and the holidays accrued and not taken at 31 December 2024.
The item "Payables to social security and welfare institutions", amounting to Euro 1,310 thousand, includes the payables due at 31 December 2024 for the portions payable by the Company and by employees on wages, salaries and estimated charges, which are to be paid in the following months.
The item "Accrued expenses", amounting to Euro 1,240 thousand, mainly refers to interest accrued on loans and bonds.
The item "Sundry payables to subsidiaries" amounts to Euro 556 thousand and is mainly composed of payables arising from group VAT, tax consolidation, and the cogeneration contribution.
The item "Deferred income", amounting to Euro 511 thousand, mainly relates to connection fees.
The item "Security deposits", amounting to Euro 500 thousand, represents the amount paid by customers for taking part in and being awarded tenders.

Notes to the Consolidated Income Statement

Revenues

3.23 Revenue from sales and services

Below is a breakdown by business category of the item "Revenue from sales and services" for the financial years ended 31 December 2024 and 2023 with an indication of the change.

Revenue from sales and services	2024	2023	Change	% Change
Intercompany revenue	23,356	27,257	(3,901)	-14%
Fees for collection and sweeping	21,808	20,579	1,229	6%
Sundry revenue	6,677	5,819	858	15%
Revenue from methane gas	6,376	6,064	312	5%
Revenue from waste treatment	644	72	572	797%
Revenue from electricity	104	-	104	N/A
Revenue from fibre optics	17	25	(8)	-31%
Revenue from connections	(1)	9	(10)	-107%
Total	**58,983**	**59,826**	**(843)**	**-1%**

Intercompany services, which make up the company's main revenue item, amounting to Euro 23,356 thousand, mainly refer to corporate services, provided by the Parent Company for Euro 23,217 thousand and used by the subsidiaries to perform their institutional tasks such as property services, administrative, legal and financial management, planning and control, procurement, engineering, human resources, car parks, IT and quality systems, safety and environmental services. The remainder, amounting to Euro 139 thousand, relates to sales of inventory materials to subsidiaries.
Revenue from collection and sweeping amounting to Euro 21,808 thousand refers to the fees to manage the waste collection, disposal and transport service paid by the Municipality of Vicenza to AGSM AIM Spa, inclusive of the administrative costs for assessment, collection and litigation, established in compliance with the Waste Pricing Method (MTR) as defined by ARERA in its Decision 443/2019/rif.
Sundry revenue, amounting to Euro 6,677 thousand, mainly refers to services rendered to third parties and include Euro 4,478 thousand of revenue from Acque Veronesi Scarl and Viacqua Spa for the lease of assets pertaining to the integrated water service. The remaining part, amounting to Euro 2,199 thousand, refers to the provision of other services.
The methane gas revenue amounting to Euro 6,376 thousand relates to the concession for the distribution of gas in the City of Treviso, under an agreement signed in 2005 for twelve years (now continuing *ope legis* until the new assignment).

3.24 Other revenue

A breakdown of "Other revenue" is provided below for the financial years ended 31 December 2024 and 2023.

Other revenue	2024	2023	Change	% Change
Contributions/grants	902	1,176	(274)	-23%
Contingent items and non-realised losses	711	697	15	2%
Grants for current expenses	212	146	66	45%
Gains	166	297	(131)	-44%
Revenue from services to third parties	131	26	105	409%
Other revenue	111	482	(371)	-77%
Indemnities, reimbursements and other	1	33	(33)	-98%
Real estate income	-	1,039	(1,039)	-100%
Certified revenue	-	3	(3)	-100%
Other revenue	**2,234**	**3,900**	**(1,665)**	**-43%**
Increases in non-current assets	**338**	**425**	**(88)**	**-21%**
Total	**2,572**	**4,325**	**(1,753)**	**-41%**

The main component of "Other revenue" is the item relating to the release of contributions related to plants, which contributed to the formation of revenue for Euro 902 thousand.
The item relating to contingent items and non-realised losses amounts to a total of Euro 711 thousand and mainly includes amounts arising from differences in estimated items and the recognition of non-realised liabilities previously recognised in the financial statements.
Grants for current expenses amount to Euro 212 thousand and relate to the reimbursement of training expenses.
The item "Gains" amounts to Euro 166 thousand and relates to revenue from the ordinary disposal of company assets, mainly relating to the disposal of the Cà del Bue electrical substation.
The general item "Other revenue", totalling Euro 111 thousand, mainly includes the reimbursement of personnel costs and revenue from other services.
The increases in non-current assets for internal work, amounting to Euro 338 thousand, include the costs relating to the consumables used, the personnel used for construction work and the costs relating to the additional maintenance carried out for the technological upgrade of the company's plants. The table below provides a breakdown of this item.

Increases in non-current assets	2024	2023	Change	% Change
Labour	277	361	(84)	-23%
Materials	61	65	(4)	-5%
Total	**338**	**425**	**(88)**	**-21%**

Operating costs

3.25 Costs for raw materials and consumables

A breakdown of "Costs for raw materials and consumables" is provided below for the financial years ended 31 December 2024 and 2023.

Costs for raw materials and consumables	2024	2023	Change	% Change
Electricity	1,432	1,099	332	30%
Gas	382	79	303	385%
Purchase of heat	233	179	54	30%
Purchase of materials	542	1,269	(727)	-57%
Change in inventories	55	38	17	44%
Total	**2,644**	**2,665**	**(20)**	**-1%**

The most significant item is the purchase of electricity, amounting to Euro 1,432 thousand, relating to the consumption in the company sites, which is supplied by the subsidiary AGSM AIM Energia S.p.A., as is the purchase of gas and heat.
The purchase of materials, amounting to Euro 542 thousand, mainly refers to purchases for inventory materials for Euro 259 thousand and purchases of materials to be used for the provision of services for Euro 142 thousand.
The change in inventories amounted to Euro 55 thousand.

3.26 Services

A breakdown of "Services" is provided below for the financial years ended 31 December 2024 and 2023.

Services	2024	2023	Change	% Change
Intercompany services	24,555	23,285	1,270	5%
Hardware and software maintenance	5,604	4,213	1,391	33%
Costs for works and maintenance	2,065	1,094	971	89%
Professional services	1,885	2,297	(412)	-18%
Personnel costs	1,772	2,385	(613)	-26%
Advertising and sponsorships	1,145	1,459	(314)	-22%
Costs for disposal	1,131	3	1,128	39566%
Security, cleaning and porterage	1,094	1,051	43	4%
IT services	1,010	2,260	(1,250)	-55%
Directors' remuneration	709	630	79	13%
Other services	560	820	(260)	-32%
Insurance	438	277	161	58%
Various outsourced services	279	233	46	20%
Telephony expenses	226	478	(252)	-53%
Board of Statutory Auditors fees	222	205	17	8%
Bank services	135	125	10	8%
Internal consumption for office use	90	59	31	53%
Total	**42,919**	**40,874**	**2,045**	**5%**

Intercompany services, amounting to a total of Euro 24,555 thousand, mainly include Euro 21,317 thousand relating to the management of waste collection and disposal provided by the subsidiary Valore Ambiente Srl, and Euro 3,205 thousand relating to various services provided by subsidiaries (including services for the remote control operating centre provided by the subsidiary V-Reti Spa for Euro 1,798 thousand; TARI tariff management services provided by the subsidiary AGSM AIM Energia Spa for Euro 496 thousand; miscellaneous connectivity services provided by the subsidiary AGSM AIM Smart Solutions Srl for Euro 257 thousand; photovoltaic services relating to the head office and Ca' del Bue provided by the subsidiary AGSM AIM Power Srl for Euro 162 thousand and maintenance work on the cooling/heating systems provided by the subsidiary AGSM AIM Calore Spa for Euro 176 thousand).
The item "Hardware and software maintenance", totalling Euro 5,604 thousand, mainly refers to software maintenance fees of Euro 4,998 thousand.

3.27 Leases and rentals

A breakdown of "Leases and rentals" is provided below for the financial years ended 31 December 2024 and 2023.

Leases and rentals	2024	2023	Change	% Change
Rent for the use of third-party networks	1,563	1,585	(22)	-1%
Concession charges	293	527	(234)	-44%
Rentals	268	210	58	28%
Crossing fees and fees for hydroelectric use	160	147	13	9%
Rents and leases	24	160	(136)	-85%
Total	**2,308**	**2,629**	**(321)**	**-12%**

The item "Rent for the use of third-party networks", amounting to Euro 1,563 thousand, refers to the fee paid to the Municipality of Treviso for the concession of the gas distribution service.
The item "Concession charges", amounting to Euro 293 thousand, relates to the fees for the existing concessions with the municipality of Vicenza.
These rentals, amounting to Euro 268 thousand, mainly relate to company vehicles, while rents and leases of Euro 24 thousand include rental fees for electricity substations.
Other costs for leases and rentals include crossing fees and fees for the use of hydroelectric resources totalling Euro 160 thousand.

3.28 Other operating costs

A breakdown of "Other operating costs" is provided below for the financial years ended 31 December 2024 and 2023.

Other operating costs	2024	2023	Change	% Change
Other general expenses	837	539	298	55%
IMU (municipal property tax) and TASI (municipal tax)	658	615	43	7%
Other taxes and duties	354	516	(162)	-31%
Contingent liabilities	319	403	(84)	-21%
Losses on disposals and non-realised gains	257	45	211	466%
Donations	245	150	94	63%
Indemnities	135	104	31	30%
Authority Contribution	14	25	(11)	-45%
Total	**2,817**	**2,397**	**420**	**18%**

The most significant item is "Other general expenses", which amounts to Euro 837 thousand and mainly refers to association contributions of Euro 413 thousand, excise duties on consumption of Euro 152 thousand, and reimbursements for damages and legal expenses of Euro 179 thousand.
Other items include the Municipal Property Tax (IMU) and Local Services Tax (TASI) totalling Euro 658 thousand, and other taxes and duties, which comprise indirect taxes of Euro 158 thousand, taxes and concessions of Euro 94 thousand, and other taxes, charges, levies, and permits amounting to Euro 102 thousand.
The item "contingent liabilities", amounting to Euro 319 thousand, concerns settlements and possible differences between estimated income components relating to prior financial years and actual components.

3.29 Personnel costs

A breakdown of "Personnel costs" is provided below for the financial years ended 31 December 2024 and 2023.

Personnel costs	2024	2023	Change	% Change
Wages and salaries	14,764	13,965	799	6%
Social security contributions	4,168	3,889	279	7%
Employee severance indemnities	942	825	117	14%
Other personnel costs	588	258	330	128%
Total	**20,462**	**18,937**	**1,525**	**8%**

The table below shows the number of employees broken down by category.

Headcount	2023	Recruitment	Terminations	2024	Media
Managers	14	1	-3	12	14
Middle managers	28	2	-1	29	29
White collar workers	204	26	-11	219	214
Blue collar workers	15	2	-2	15	14
Total	**261**	**31**	**-17**	**275**	**271**

The precise headcount as at 31 December 2024 increased by 14 compared to the previous year.
Consequently, the total cost of staff has increased, the average cost per capita of work, which is equal to Euro 76 thousand, compared to Euro 73 thousand for the previous year.

3.30 Amortisation, depreciation, and provisions

A breakdown of "Amortisation, depreciation and other provisions" is provided below for the financial years ended 31 December 2024 and 2023.

Amortisation, depreciation, accruals and impairment	2024	2023	Change	% Change
Intangible assets	8,383	8,271	112	1%
Property, plant and equipment	3,799	3,824	(25)	-1%
Total amortisation/depreciation	**12,182**	**12,095**	**87**	**1%**
Provisions for liabilities	710	332	378	114%
Total provisions	**710**	**332**	**378**	**114%**
Total	**12,892**	**12,427**	**465**	**4%**

Depreciation and amortisation of property, plant and equipment and intangible assets reflect the normal obsolescence process over the useful life.
The item “Provisions for liabilities” includes the accrual relating to the increase in the provision for personnel-related risks.

Financial income and expenses

3.31 Income from equity investments

A breakdown of "Income from equity investments" is provided below for the financial years ended 31 December 2024 and 2023.

Income from equity investments	2024	2023	Change	% Change
AGSM AIM Energia SpA	29,094	15,720	13,374	85%
V-Reti SpA	11,577	14,257	(2,680)	-19%
AGSM AIM Power Srl	9,256	17,212	(7,957)	-46%
AGSM AIM Smart Solutions Srl	2,070	2,428	(358)	-15%
Valore Ambiente Srl	1,234	1,260	(26)	-2%
AGSM AIM Calore Srl	-	12,950	(12,950)	0%
Minority interests	-	254	(254)	0%
Total income from subsidiaries	**53,232**	**64,081**	**(10,850)**	**-17%**
Consorzio GPO	91	-	91	0%
Total income from associates	**91**	**-**	**91**	**0%**
Parco Eolico Monte Vitalba srl	135	1	134	13388%
Total income from other companies	**135**	**1**	**134**	**13388%**
Total	**53,458**	**64,082**	**(10,625)**	**-18%**

The item "Income from equity investments in subsidiaries" refers to dividends received from subsidiaries and are recognised following the resolutions approving distribution passed by the Shareholders' Meetings of these Companies.

3.32 Financial income

A breakdown of "Financial Income" is provided below for the financial years ended 31 December 2024 and 2023.

Financial income	2024	2023	Change	% Change
Income from subsidiaries	7,813	18,127	(10,313)	-57%
Income from related companies	822	71	751	1061%
Other financial income	3	-	3	0%
Interest income on bank and postal savings accounts	103	2,991	(2,889)	-97%
Other interest income	200	193	7	4%
Total	**8,941**	**21,382**	**(12,440)**	**-58%**

Income from subsidiaries derives from interest income accrued on loans granted to subsidiaries, including the Group cash pooling, and mainly refers to interest accrued from V-Reti Spa for Euro 6,236 thousand, from AGSM AIM Calore Srl for Euro 626 thousand, and from AGSM AIM Power Srl for Euro 107 thousand. More details are provided in the tables at the end of the explanatory notes.
Other interest income mainly refers to the recognition in accordance with the provisions of IFRIC 12 of the Verona water and sewerage service concession agreements.

3.33 Financial expenses

A breakdown of "Financial expenses" is provided below for the financial years ended 31 December 2024 and 2023.

Financial expenses	2024	2023	Change	% Change
Expenses payable to subsidiaries	**1,389**	**4,764**	**(3,375)**	**-71%**
Interest expenses on loans	9,881	20,288	(10,406)	-51%
Interest expenses on current account overdrafts	2,455	2,192	263	12%
Interest expenses on bonds	1,277	384	892	232%
Bank expenses and charges	899	2,968	(2,069)	-70%
Other interest expenses	336	385	(50)	-13%
Expenses payable to third parties	**14,847**	**26,218**	**(11,370)**	**-43%**
Total	**16,236**	**30,982**	**(14,745)**	**-48%**

Financial expenses payable to subsidiaries, amounting to Euro 1,389 thousand, include interest expense accrued on the group cash pooling account.

Financial expenses payable to third parties, amounting to Euro 14,847 thousand, mainly consist of interest on loans, current accounts and bonds. The remainder is composed of other interest expenses, mainly relating to the recognition of discounts, other rate discounts and post-employment benefits in accordance with IAS 19, as well as the allocation of actual expenses on lease and rental contracts in accordance with IFRS 16.

3.34 Adjustments to financial assets

A breakdown of "Adjustments to financial assets” is provided below for the financial years ended 31 December 2024 and 2023.

Adjustments to financial assets	2024	2023	Change	% Change
Revaluations				
Revaluations of equity investments	-	260	(260)	-100%
Total revaluations	**-**	**260**	**(260)**	**-100%**
Total	**-**	**260**	**(260)**	**-100%**

During the current year, no value adjustments to financial assets were made, as these would have had an insignificant impact (the item “revaluations of equity investments” for the previous year relates to the measurement at equity of the associate Consorzio GPO, based on the 2023 financial statements).

Taxes

3.35 Income taxes

A breakdown of "Income taxes" is provided below for the financial years ended 31 December 2024 and 2023.

Income taxes	2024	2023	Change	% Change
Deferred taxes	229	823	(594)	-72%
Previous years' taxes	(286)	-	(286)	N/A
Income from tax consolidation	(6,525)	(5,140)	(1,385)	27%
Total	**(6,582)**	**(4,316)**	**(2,265)**	**52%**

The pre-tax profit amounted to Euro 23,676 thousand.

The balance of deferred tax assets and liabilities amounts to Euro 229 thousand. For the relative changes, one should refer to the attached table referred to in point 14 of Article 2427 of the Italian Civil Code.

The overall balance of taxes was negative, as it consisted mainly of income from tax consolidation due to the transfer of losses.

The table below shows the reconciliation between the theoretical and effective tax expense.

IRES reconciliation	Taxable income	Taxes
Pre-tax profit (loss)		
includes prior year taxes	**23,962**	
Theoretical tax charge (+24%)		**5,751**
Permanent deltas	764	183
Temporary deltas	(51,914)	(12,459)
Tax base	**(27,188)**	
Current IRES tax for the year		**-**
Impact of current taxes on pre-tax result		**0.00%**

IRAP reconciliation		
Difference between value and costs of production	**(29,494)**	
Costs not relevant for IRAP purposes	21,172	
Total	**(8,322)**	
Theoretical tax charge (+3.90%)		**(325)**
Increases	1,858	725
Decreases	(1,999)	(780)
Tax wedge	(19,899)	(7,760)
Tax base	**(28,362)**	
Current IRAP taxes for the year		**-**
Current IRAP tax on the difference between value and cost of production		**0.00%**

Other information

Financial instrument classes and fair value hierarchies

To complete the analyses required by IFRS 7 and IFRS 13, the types of financial instruments found in the financial statements are shown, with an indication of the valuation criteria applied and, in the case of financial instruments measured at fair value, of the exposure (Income Statement or Equity).

Fair Value Hierarchies
IFRS 7 and IFRS 13 require that financial instruments measured at fair value are classified on the basis of the quality of the sources of inputs used in determining the fair value. In particular, 3 levels of fair value are defined:
• Level 1: classified in this level are financial assets/liabilities whose fair value is determined on the basis of quoted (unmodified) prices on active markets, both Official and Over the Counter, of identical assets or liabilities;
• Level 2: classified in this level are financial assets/liabilities whose fair value is determined on the basis of inputs other than the quoted prices referred to in Level 1, but which are directly or indirectly observable on the market for these assets/liabilities;
• Level 3: financial assets/liabilities whose fair value is determined on the basis of non-observable market data are classified in this level. This category includes instruments measured on the basis of internal estimates, carried out using proprietary methods based on industry best practices.
For the breakdown of assets and liabilities between the different levels of fair value, see the table below "Fair value hierarchy". Financial assets measured at fair value are level 1.

Fair value hierarchies	Notes	Original in company currency	Financial instruments measured at fair value		Financial instruments measured at amortised cost
			Income Statement	Equity	
FINANCIAL POSITION - ASSETS					
NON-CURRENT ASSETS					
Other non-current financial assets	4	32,660	-	-	32,660
Other non-current assets	6	985	-	-	985
CURRENT ASSETS					
Trade receivables	8	26,520	-	-	26,520
Current financial assets	9	170,198	-	-	170,198
Other current assets	11	40,619	-	-	40,619
Cash and cash equivalents	12	10,666	-	-	10,666
Assets sold			-	-	-
FINANCIAL POSITION - LIABILITIES					
Non-current financial liabilities	14	163,832	-	-	163,832
Other non-current liabilities	18	9,575	-	355	9,220
CURRENT LIABILITIES					
Current financial liabilities	19	250,956	-	-	250,956
Trade payables	20	26,872	-	-	26,872
Other current liabilities	22	27,612	-	-	27,612
Liabilities disposed			-	-	-

Commitments, guarantees granted and contingent liabilities not shown in the Statement of Financial Position

The total amount of commitments, guarantees and contingent liabilities amounts to Euro 403,700 thousand and includes security deposits with third parties, guarantees provided by AGSM AIM SpA to banks for the granting of credit facilities and bank guarantees in favour of other companies of the AGSM AIM Group.

Revenue or cost items of exceptional amount or impact

There are no items to report.

Treasury shares

Pursuant to article 2428 of the Italian Civil Code, it is noted that, during the year, AGSM AIM SpA did not hold, purchase or sell treasury shares or shares or quotas of parents, including through trustees or nominees.

Remuneration of the Directors, Board of Statutory Auditors and Independent Auditors

	Period	End of office	Remuneration
Directors	01/01/2024-31/12/2024	Approval of 2026 financial statements	709
Board of Statutory Auditors	01/01/2024-31/12/2024	Approval of 2026 financial statements	222
Independent Auditors	01/01/2024-31/12/2024	Approval of 2029 financial statements	24

Information required for the engagement pursuant to Article 149-duodecies of the Issuers' Regulation

The table below, prepared in accordance with Article 149-duodecies of the Consob Issuers' Regulation, shows the fees approved by the Shareholders' Meeting for the year 2024 for the services provided by the independent auditors BDO Italia S.p.A.

Type of service	Service provider	Beneficiary	Remuneration
Accounts audit	Parent Company audit	Parent Company	24
Accounts and sustainability audit	Parent Company audit	Parent Company	49
Non-audit services (bond)	Parent Company audit	Parent Company	65
Total			**134**

Name and registered office of the company preparing the consolidated financial statements

With reference to the information required by Article 2427, point 22-*quinquies* and *sexies* of the Italian Civil Code, it should be noted that as at 31 December 2024 the direct controlling entity was the Municipality of Verona, with registered office in Piazza Bra 1 - Verona; the controlling entity prepared the Consolidated Financial Statements of the largest Group to which the Company belongs and made them available at its registered office.

Management and coordination activity

The Company is not subject to unitary management and coordination.

Description of temporary differences that resulted in the recognition of deferred tax assets and liabilities

Deferred tax assets	Deferred tax assets - taxable amount	2023 Tax (a)	Adjust.	2024 Tax (b)	Accruals	2024 Tax (c)	Uses	2024 Tax (d)	Deferred tax assets - taxable amount	2024 Tax (a+b+c)
Assets area difference	2,030	488	3,859	925	-	-	(662)	(159)	5,227	1,255
Connection contributions etc.	5,873	955	9	2	-	-	(440)	(67)	5,441	890
Write-downs of buildings	4,370	1,219	-	-	-	-	-	-	4,370	1,219
Provision for future charges	2,063	575	-	-	-	-	-	-	2,063	575
Provision for sundry risks (personnel)	5,253	1,466	-	-	710	198	(563)	(157)	5,400	1,507
Warehouse write-downs	700	168	-	-	-	-	-	-	700	168
Release of deferred income	1,393	389	-	-	-	-	(215)	(60)	1,177	329
Allowance for doubtful accounts exceeding the tax threshold	2,327	558	-	-	-	-	-	-	2,327	558
Goodwill	248	69	(248)	(69)	-	-	-	-	-	-
Prior year taxes	21	6	-	-	-	-	(21)	(6)	-	-
Tariff discounts and employee severance indemnities - IFRS	4,372	1,049	(257)	(62)	-	-	(1,008)	(242)	3,107	746
Credit for deferred tax assets	**28,648**	**6,943**	**3,364**	**797**	**710**	**198**	**(2,910)**	**(691)**	**29,812**	**7,246**
Deferred tax liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Assets area difference	8,042	1,947	7,933	1,887	-	-	(834)	(200)	15,141	3,634
Dividends	49	12	-	-	-	-	(49)	(12)	-	-
Concess. Treviso	4,074	1,137	(4,074)	(1,137)	-	-	-	-	-	-
Debit for deferred tax liabilities	**12,164**	**3,095**	**3,859**	**750**	**-**	**-**	**(883)**	**(212)**	**15,141**	**3,634**
Total effect on the income statement				**47**		**198**		**(479)**		**(229)**

Related-party transactions

Intercompany receivables	Trade receivables	Financial receivables	Other non-current financial assets	Sundry receivables	Total
Agisco Srl	-	-	-	2	2
AGSM Holding Albania Sh.A.	8	2	-	-	10
AGSM AIM Ambiente Srl	316	2,661	-	11	2,988
V-Reti SpA	6,105	127,744	-	5,001	138,849
AGSM AIM Calore Srl	661	15,083	-	1,146	16,889
BLUEOIL Srl	50	340	(250)	-	140
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	54	-	-	17	71
COGASPIU' Energie Srl	190	-	-	11	201
DRV Srl	28	-	-	-	28
ECO Tirana	-	740	2,188	-	2,927
AGSM AIM Power Srl	420	1,979	4,140	2,020	8,559
JUWI DEVELOPMENT 02 SRL	20	5,821	-	-	5,840
JUWI DEVELOPMENT 08 SRL	6	1,388	-	-	1,394
Parcoeolico Carpinaccio SrL	23	-	-	63	86
Parco Eolico Riparbella Srl	33	-	-	74	107
AGSM AIM Smart Solutions Srl	906	-	-	728	1,635
AGSM AIM Energia SpA	2,047	5,633	-	17,263	24,943
Serit	155	5,675	-	-	5,830
Società Intercomunale Ambiente Srl	3	-	-	-	3
S.I.T. Società Igiene Territorio Srl	174	3,286	-	11	3,470
Transeco	924	66	-	-	990
Valore Ambiente Srl	592	-	-	29	620
Total	**12,716**	**170,417**	**6,077**	**26,376**	**215,586**

Intercompany payables	Trade payables	Financial payables	Sundry payables	Total
AGSM AIM Ambiente Srl	368	-	244	613
V-Reti SpA	2,103	-	-	2,103
AGSM AIM Calore Srl	472	-	288	760
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	15	2,263	-	2,278
AGSM AIM Power Srl	47	2,459	-	2,506
Parcoeolico Carpinaccio SrL	29	3,027	99	3,155
Parco Eolico Riparbella Srl	58	4,960	86	5,104
AGSM AIM Smart Solutions Srl	206	3,241	-	3,448
AGSM AIM Energia SpA	1,662	11,805	44	13,511
S.I.T. Società Igiene Territorio Srl	-	-	137	137
Transeco	79	1,341	-	1,421
Valore Ambiente Srl	5,741	3,007	202	8,950
Total	**10,782**	**32,103**	**1,099**	**43,984**

Analysis of sales and intercompany services	Revenue from sales and services	Other revenue and income	Total
AGSM AIM Ambiente Srl	252	-	252
V-Reti SpA	8,988	58	9,047
AGSM AIM Calore Srl	1,399	7	1,406
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	55	-	55
COGASPIU' Energie Srl	195	-	195
DRV Srl	28	-	28
AGSM AIM Power Srl	1,357	49	1,405
Parcoeolico Carpinaccio SrL	38	-	38
Parco Eolico Riparbella Srl	49	-	49
AGSM AIM Smart Solutions Srl	2,352	14	2,366
AGSM AIM Energia SpA	6,256	55	6,310
Serit	95	-	95
Società Intercomunale Ambiente Srl	3	-	3
S.I.T. Società Igiene Territorio Srl	94	-	94
Transeco	729	1	730
Tre V Ambiente S.r.l.	46	-	46
Valore Ambiente Srl	1,753	-	1,753
Total	**23,689**	**184**	**23,873**

Costs of intercompany production	Costs for raw materials	Services	Leases and rentals	Other operating costs	Total
AGSM AIM Ambiente Srl	-	44	-	-	44
V-Reti SpA	10	1,799	-	-	1,809
AGSM AIM Calore Srl	-	196	-	-	196
AGSM AIM Power Srl	-	162	-	-	163
AGSM AIM Smart Solutions Srl	5	338	-	-	343
AGSM AIM Energia SpA	2,022	496	-	18	2,536
Transeco	-	799	-	-	799
Valore Ambiente Srl	-	21,443	-	-	21,443
Total	**2,038**	**25,277**	**-**	**18**	**27,333**

Intercompany financial income and expenses	other financial income	interest and other financial expenses
AGSM AIM Ambiente Srl	101	-
V-Reti SpA	6,236	-
AGSM AIM Calore Srl	626	-
BLUEOIL Srl	8	-
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	-	35
ECO Tirana	80	-
AGSM AIM Power Srl	334	23
JUWI DEVELOPMENT 02 SRL	13	-
JUWI DEVELOPMENT 08 SRL	2	-
Parcoeolico Carpinaccio SrL	-	57
Parco Eolico Riparbella Srl	-	121
AGSM AIM Smart Solutions Srl	-	96
AGSM AIM Energia SpA	47	668
Serit	181	-
S.I.T. Società Igiene Territorio Srl	164	-
Transeco	22	18
Valore Ambiente Srl	-	371
Total	**7,813**	**1,389**

Transactions with related parties (companies in the AGSM AIM Group) were completed at arm's length.

Significant events after the reporting period

See the comments in the notes to the consolidated financial statements.

Proposal for allocation of profits

Dear Shareholders, in confirming that in preparing the draft Financial Statements of AGSM AIM Spa for the year ended 31 December 2024 we have complied with the provisions of the Italian Civil Code, as interpreted and supplemented by the International Financial Reporting Standards, we invite you to approve the financial report for the year consisting of the statement of financial position, the income statement, the statement of cash flows, the notes to the financial statements and the report on operations which show a profit for the year of Euro 30,257 thousand, with the following proposal for the allocation of the profit for the year:

- Euro 543,178 to the Legal reserve
- Euro 28,900,000 as Dividends
- Remainder to Retained earnings reserve

These financial statements, consisting of the statement of financial position, the income statement and the notes thereto, give a true and fair view of the financial position and results of operations for the year and correspond to the accounting records.

Verona, 7 May 2025 l Chairperson of the Board of Directors

Federico Testa

Report of the Board of Statutory Auditors

Report of the Board of Statutory Auditors to the Shareholders' Meeting on the Approval of the Financial Statements for the Year Ended 31 December 2024, Prepared in accordance with Article 2429, Paragraph 2 of the Italian Civil Code

To the Shareholders of AGSM AIM S.p.A.

Throughout the financial year ended 31 December 2024, we carried out our duties in accordance with applicable laws and the Code of Conduct for Boards of Statutory Auditors of unlisted companies, issued by the National Council of Chartered Accountants and Accounting Experts.

We hereby inform you of this activity and the results achieved.

The financial statements of AGSM AIM S.p.A. as at 31 December 2024, prepared in accordance with the Italian regulations governing their preparation, have been submitted for your review and show a net profit for the year of Euro 30,257,384.

Since the Board of Statutory Auditors was not tasked with the statutory audit, it carried out the supervisory activities on the financial statements provided for in Rule 3.8. of the "Rules of conduct of the Board of Statutory Auditors of unlisted companies" consisting of an overall summary control aimed at verifying that the financial statements have been correctly prepared. Responsibility for verifying the consistency with the accounting records lies with the statutory auditor.

The entity tasked with the statutory audit, BDO SpA, provided us with its report dated 22 May 2025 containing an unqualified opinion.

Accordingly, as stated in the report by the entity responsible for the statutory audit, the financial statements as at 31 December 2024 give a true and fair representation of the Company's financial position, performance and cash flows, and have been prepared in compliance with the relevant regulatory requirements.

1) **Supervisory activities pursuant to Articles 2403 et seq. of the Italian Civil Code.**

We have acquired an understanding of and monitored the adequacy of the organisational, administrative and accounting structure, acknowledging and concurring with the directors' statement that the Company has established systems appropriate to the nature and size of the business, and has implemented an internal control system aimed also at ensuring the timely detection of early signs of financial distress and risks to business continuity.

We attended the shareholders' meetings and board of directors' sessions and, based on the information available, have no particular remarks to make.

During the meetings held, we obtained information from the Management Body on the general operating performance and its outlook, as well as the most significant transactions in terms of size or characteristics, carried out by the Company and its subsidiaries and, on the basis of the information obtained, we have no particular observations to make.

We held meetings with the Chairman of the Boards of Statutory Auditors of the subsidiaries, and no significant data or information emerged that needs to be highlighted in this report.

With the person tasked with the statutory audit we promptly exchanged data and information relevant to the performance of our supervisory activity.

We held a meeting with the Supervisory Body, and no critical issues regarding the correct implementation of the organisational model have emerged that need to be highlighted in this report.

We have gained an understanding of and overseen the adequacy of the organisational, administrative, and accounting structures and their effective operation, including through information gathered from the heads of relevant functions, and we have no particular observations to report in this regard.

We have gained an understanding of and overseen, within our remit, the adequacy and operation of the administrative and accounting system, as well as its reliability in accurately representing management activities, by gathering information from function heads and reviewing corporate documents; in this regard, we have no particular observations to report.

No complaints have been received from shareholders in accordance with Articles 2408 or 2409 of the Italian Civil Code.

We have not filed any complaint with the court pursuant to Article 2409 of the Italian Civil Code.

No notifications have been submitted to the administrative body under Article 25-*octies* of Legislative Decree No. 14 dated 12 January 2019.

We have not received any notifications from the statutory auditor pursuant to and for the purposes of Article 25-*octies* of Legislative Decree No. 14 of 12 January 2019.

We have not received any notifications from public creditors pursuant to and for the purposes of Article 25-*novies* of Legislative Decree No. 14 of 12 January 2019.

During the financial year, the Board of Statutory Auditors did not issue any opinions or observations as required by law.

During the supervisory activities described above, no other significant matters have arisen that require mention in this report.

2) Comments on the financial statements

We have verified that the directors have declared compliance with the applicable regulations governing the preparation of the financial statements.

According to the report of the statutory auditor, "the financial statements give a true and fair view of the AGSM AIM S.p.A.'s financial position as at 31 December 2024, 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 adopted by the European Union, as well as the provisions issued pursuant to Article 9 of Legislative Decree 38/05, which govern the preparation criteria".

To the best of our knowledge, the directors have not departed from the provisions of the law pursuant to Article 2423, paragraph 5, of the Italian Civil Code in preparing the financial statements.

3) Comments and recommendations regarding the approval of the financial statements

Based on the results of our activities and the opinion expressed in the audit report issued by the statutory auditor, we do not identify any grounds to oppose the approval by the shareholders of the financial statements for the year ended 31 December 2024, as prepared by the directors.

The Board of Statutory Auditors agrees with the directors' proposal for the distribution of the profit for the year, as set out in the explanatory notes.

Verona, 23 May 2025

The Board of Statutory Auditors

Ms Cinzia Giaretta (Signature)

Ms Silvia Zenati (Signature)

Mr Alberto Mion (Signature)

Report of the Independent Auditors

AGSM AIM S.p.A.

Relazione della società di revisione indipendente ai sensi dell'art. 14 del D.Lgs. 27 gennaio 2010, n. 39 e dell'art.10 del Regolamento (UE) n. 537/2014

Bilancio d'esercizio al 31 dicembre 2024

BDO

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Via Roveggia, 126
37136 Verona

Relazione della società di revisione indipendente

ai sensi dell'art. 14 del D.Lgs. 27 gennaio 2010, n. 39 e dell'art.10 del Regolamento (UE) n. 537/2014

Agli Azionisti di
AGSM AIM S.p.A.

Relazione sulla revisione contabile del bilancio d'esercizio

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della società AGSM AIM S.p.A. (la "Società"), costituito dalla situazione patrimoniale-finanziaria al 31 dicembre 2024, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalle note illustrative al bilancio che includono le informazioni rilevanti sui principi contabili applicati.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2024, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. 38/'05.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio* della presente relazione.

Siamo indipendenti rispetto alla Società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio d'esercizio nel suo complesso; pertanto su tali aspetti non esprimiamo un giudizio separato.

Aspetti chiave	Procedure di revisione in risposta agli aspetti chiave
Valutazione delle partecipazioni *Nota 3.3 "Partecipazioni"* La Società espone in bilancio investimenti in partecipazioni in Società controllate, collegate ed altre imprese per Euro 636.307 migliaia. Le partecipazioni in società controllate e in altre imprese sono valutate al costo di acquisto, mentre le partecipazioni in imprese collegate sono valutate secondo il metodo del patrimonio netto; nel caso in cui si verifichino perdite di valore, si procede alla svalutazione delle stesse. Per le partecipazioni in società controllate che presentano un valore di carico superiore rispetto alla corrispondente frazione di patrimonio netto di pertinenza e, anche per le altre partecipazioni, ogniqualvolta si rilevi la presenza di specifici indicatori di perdita, viene svolto *impairment test*. Il valore recuperabile delle partecipazioni è stato determinato sulla base del valore attuale dei corrispondenti flussi di cassa netti attesi attribuibili alle partecipate, coerenti con quelli utilizzati per l'*impairment test* delle Cash Generating Unit ("CGU") nell'ambito del bilancio consolidato. Altrettanto vale per l'approccio metodologico, le assunzioni di base ed i tassi di attualizzazione adottati. Tale voce è stata ritenuta complessivamente significativa nell'ambito dell'attività di revisione in considerazione del suo ammontare, della complessità dei processi di valutazione e di determinazione di eventuali perdite di valore ad essa connessi e dell'aleatorietà legata all'effettiva realizzazione degli eventi previsti nei piani pluriennali.	Le principali procedure di revisione effettuate, anche avvalendoci del supporto di esperti in modelli di valutazione appartenenti alla rete BDO Italia, hanno riguardato: ▪ l'analisi della movimentazione della voce nell'esercizio e l'esame degli incrementi, decrementi ed eventuali svalutazioni e rivalutazioni apportate; ▪ la verifica della corretta classificazione e del relativo trattamento contabile; ▪ l'identificazione di partecipazioni caratterizzate da indicatori di *impairment*; ▪ l'ottenimento dei bilanci delle partecipate al 31 dicembre 2024 e delle relative relazioni di revisione; ▪ l'analisi delle valutazioni dell'esperto che ha assistito la Direzione della Società, di cui abbiamo valutato competenza, capacità e indipendenza, nell'elaborazione degli *impairment test*, tra gli altri, del valore delle partecipazioni nelle società AGSM AIM Energia S.p.A., AGSM AIM Smart Solutions s.r.l., V-Reti S.p.A., AGSM AIM Power s.r.l., Valore Ambiente s.r.l.; ▪ la verifica dell'informativa fornita nelle note illustrative.
Valutazione dei diritti su beni in concessione *Nota 3.1 "Attività immateriali"* La Società espone in bilancio diritti su beni in concessione per Euro 54.111 migliaia. Tale voce è stata ritenuta significativa nell'ambito dell'attività di revisione in considerazione del suo ammontare e della soggettività e complessità insita nei processi valutativi in base all'IFRIC12. Le infrastrutture utilizzate, rilevate in base al "*intangible asset model*", sono state oggetto di *impairment test*.	Le principali procedure di revisione effettuate, anche avvalendoci del supporto di esperti in modelli di valutazione appartenenti alla rete BDO Italia, hanno riguardato: ▪ la verifica, dell'adeguatezza del modello di *impairment test* utilizzato predisposto da un esperto indipendente incaricato dalla Società; ▪ la verifica delle assunzioni chiave utilizzate alla base del modello di *impairment test*;

- la verifica della accuratezza matematica del modello di impairment test utilizzato;
- la verifica dell'informativa fornita nelle note illustrative.

Responsabilità degli Amministratori e del Collegio sindacale per il bilancio d'esercizio

Gli Amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. 38/'05 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono responsabili per la valutazione della capacità della Società di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli Amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio d'esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il Collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio d'esercizio.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno della Società;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Amministratori, inclusa la relativa informativa;

- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli Amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

Abbiamo fornito ai responsabili delle attività di governance anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le azioni intraprese per eliminare i relativi rischi o le misure di salvaguardia applicate.

Tra gli aspetti comunicati ai responsabili delle attività di governance, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio dell'esercizio in esame, che hanno costituito quindi gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

Altre informazioni comunicate ai sensi dell'art. 10 del Regolamento (UE) 537/2014

L'assemblea degli Azionisti di AGSM AIM S.p.A. ci ha conferito in data 24 giugno 2021 l'incarico di revisione legale del bilancio d'esercizio della Società e del bilancio consolidato del Gruppo AGSM AIM per gli esercizi dal 31 dicembre 2021 al 31 dicembre 2029.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'art. 5, par. 1, del Regolamento (UE) 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio d'esercizio espresso nella presente relazione è in linea con quanto indicato nella relazione aggiuntiva destinata al Collegio sindacale, nella sua funzione di Comitato per il controllo interno e la revisione legale, predisposta ai sensi dell'art. 11 del citato Regolamento.

Relazione su altre disposizioni di legge e regolamentari

Giudizi e dichiarazione ai sensi dell'art. 14, comma 2, lettere e), e-bis) ed e-ter), del D.Lgs. 39/10 e dell'art. 123-bis, comma 4, del D.Lgs. 58/'98

Gli Amministratori di AGSM AIM S.p.A. sono responsabili per la predisposizione della relazione sulla gestione e della relazione sul governo societario e gli assetti proprietari di AGSM AIM S.p.A. al 31 dicembre 2024, incluse la loro coerenza con il relativo bilancio d'esercizio e la loro conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di:

- esprimere un giudizio sulla coerenza della relazione sulla gestione e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/1998, con il bilancio separato;
- esprimere un giudizio sulla conformità alle norme di legge della relazione sulla gestione, esclusa la sezione relativa alla rendicontazione di sostenibilità, e di alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/1998;
- rilasciare una dichiarazione su eventuali errori significativi nella relazione sulla gestione e in alcune specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/1998.

A nostro giudizio, la relazione sulla gestione e le specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/'98 sono coerenti con il bilancio d'esercizio di AGSM AIM S.p.A. al 31 dicembre 2024.

Inoltre, a nostro giudizio, la relazione sulla gestione, esclusa la sezione relativa alla rendicontazione di sostenibilità, e le specifiche informazioni contenute nella relazione sul governo societario e gli assetti proprietari indicate nell'art. 123-bis, co. 4, del D.Lgs. 58/'98 sono redatte in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, co. 2, lettera e-ter), del D.Lgs. 39/'10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Il nostro giudizio sulla conformità alle norme di legge non si estende alla sezione della relazione sulla gestione relativa alla rendicontazione di sostenibilità. Le conclusioni sulla conformità di tale sezione alle norme che ne disciplinano i criteri di redazione e all'osservanza degli obblighi di informativa previsti dall'art. 8 del Regolamento (UE) 2020/852 sono formulate da parte nostra nella relazione di attestazione ai sensi dell'art. 14-bis del D.Lgs. 39/'10.

Verona, 22 maggio 2025

BDO Italia S.p.A.

Francesco Ballarin
Socio