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Tirreno Power S.p.A.

financial statements as at 31 december 2025

**Independent auditor's report pursuant to article 14 of
Legislative Decree n. 39, dated 27 January 2010**



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EY S.p.A.
Via Lombardia, 31
00187 Roma

Tel: +39 06 324751
Fax: +39 06 324755504
ey.com

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Shareholders of
Tirreno Power S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tirreno Power S.p.A. (the Company), which comprise the balance sheet as at 31 december 2025, and the income statement, the statement of comprehensive income/(loss), statement of changes in shareholders' equity and statement of cash flows for the year then ended, and explanatory notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 december 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw the attention to the paragraph "Information regarding the criminal proceedings of the Vado Ligure site" in the Management Report and to the explanatory note "Contingent assets and liabilities", which describe the events and the Directors' assessment on the criminal proceeding, hinged at the Court of Appeal, opened by the Public Prosecutor's Office of Savona concerning the Vado Ligure site. In 2018, the Company was cited as a civilly liable party and, following the acquittal in the first instance in October 2023, was called to appear before the Court of Appeal. Our conclusions are not expressed with reservations in relation to this aspect.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS accounting standards issued by International Accounting Standards Board as adopted by the European Union, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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Report on compliance with other legal and regulatory requirements

Opinion and statement pursuant to article 14, paragraph 2, subparagraph e), e-bis) and e-ter) of Legislative Decree n. 39 dated 27 January 2010

The Directors of Tirreno Power S.p.A. are responsible for the preparation of the Report on Operations of Tirreno Power S.p.A. as at 31 december 2025, including its consistency with the related financial statements and its compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to:

- express an opinion on the consistency of the Report on Operations, with the financial statements;
- express an opinion on the compliance of the Report on Operations with the applicable laws and regulations;
- issue a statement on any material misstatements in the Report on Operations.

In our opinion, the Report on Operations is consistent with the financial statements of Tirreno Power S.p.A. as at 31 december 2025.

Furthermore, in our opinion, the Report on Operations complies with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e-ter), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Roma, 20 march 2026

EY S.p.A.

Signed by: Riccardo Rossi, Auditor

This report has been translated into the English language solely for the convenience of international readers.



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Tirreno Power S.p.A.

Bilancio d'esercizio al 31 dicembre 2025

**Relazione della società di revisione indipendente
ai sensi dell'art. 14 del D. Lgs. 27 gennaio 2010, n. 39**



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00187 Roma

Tel: +39 06 324751
Fax: +39 06 324755504
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Relazione della società di revisione indipendente ai sensi dell'art. 14 del D. Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della
Tirreno Power S.p.A.

Relazione sulla revisione contabile del bilancio d'esercizio

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Tirreno Power S.p.A. (la Società), costituito dallo stato patrimoniale al 31 dicembre 2025, dal conto economico, dal prospetto dell'utile/(perdita) complessivo rilevato nel periodo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario delle disponibilità liquide per l'esercizio chiuso a tale data e dalle note esplicative 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 2025, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea.

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.

Richiamo di informativa

Richiamiamo l'attenzione sul paragrafo "Informativa in merito al Procedimento penale sito di Vado Ligure" della Relazione sulla Gestione e sulla nota esplicativa "Attività e passività potenziali", che descrivono gli eventi e le valutazioni degli amministratori in merito al procedimento penale, incardinato presso la Corte d'Appello, aperto dalla Procura della Repubblica di Savona che interessa il sito di Vado Ligure. Nel 2018 la Società fu citata quale responsabile civile e, a valle dell'assoluzione in primo grado dell'ottobre 2023, è stata chiamata a convenire in Corte d'Appello. Le nostre conclusioni non sono espresse con rilievi in relazione a tale aspetto.

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 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.



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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 od 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 e della 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;



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- 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 dai principi di revisione internazionali (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.

Relazione su altre disposizioni di legge e regolamentari

Giudizi e dichiarazione ai sensi dell'art. 14, comma 2, lettera e), e-bis) ed e-ter) del D. Lgs. 27 gennaio 2010, n. 39

Gli amministratori della Tirreno Power S.p.A. sono responsabili per la predisposizione della relazione sulla gestione della Tirreno Power S.p.A. al 31 dicembre 2025, inclusa la sua coerenza con il relativo bilancio d'esercizio e la sua 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 con il bilancio d'esercizio;
- esprimere un giudizio sulla conformità alle norme di legge della relazione sulla gestione;
- rilasciare una dichiarazione su eventuali errori significativi nella relazione sulla gestione.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio d'esercizio della Tirreno Power S.p.A. al 31 dicembre 2025.

Inoltre, a nostro giudizio, la relazione sulla gestione è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, comma 2, lettera e-ter), del D. Lgs. 27 gennaio 2010, n. 39, 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.

Roma, 20 marzo 2026

EY S.p.A.

Riccardo Rossi
(Revisore Legale)



**TIRRENO
POWER**

L'energia è la nostra impresa.

**Financial
Statements**
as at December 31, 2025

TIRRENO POWER SPA

Registered office: Via Barberini 47, Rome

Share Capital Euro 60,516,142.00 fully paid

VAT no., Fiscal Code and Business Register of Rome no. 07242841000

Administrative Business Registry no. 1019536

Administrative office and Naples facility: Stradone Vigliena 39, Naples

Torrevaldaliga facility: Via Aurelia 2, Civitavecchia (Rome)

Vado Ligure facility: Via A. Diaz 128, Valleggia di Quiliano (Savona)

Renewable Sources Sector: Corso Torino 1, Genoa

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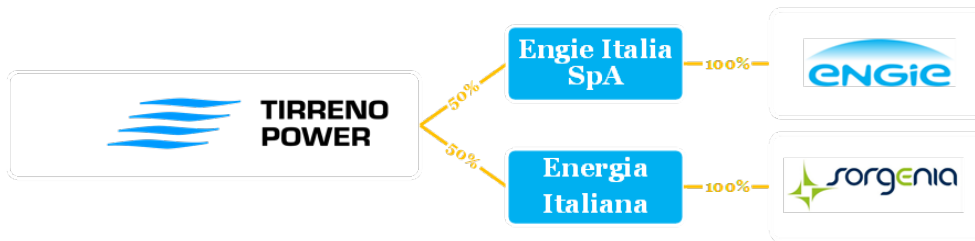
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Management Report

INTRODUCTION

Ownership structure

The Company, as at December 31, 2025, is jointly owned by Energia Italiana S.p.A. and Engie Italia S.p.A.



Corporate bodies

Board of Directors

Chairman	Charles Hertoghe
Directors	Alberto Bigi Giovanni Chiura Luca Angelo Allievi Adrien Leone Angela Tornatora Antonio Cardani * Roberto Garbati *

** Independent directors, as set forth in the Company's Articles of Association*

Board of Statutory Auditors

Chairman	Riccardo Zingales
Statutory Auditors	Gianluca Marini Maurizio Lauri
Alternate Auditors	Goffredo Hinna Danesi Giuseppe Panagia

Independent Auditors

EY S.p.A.

FOCUS ON RESULTS

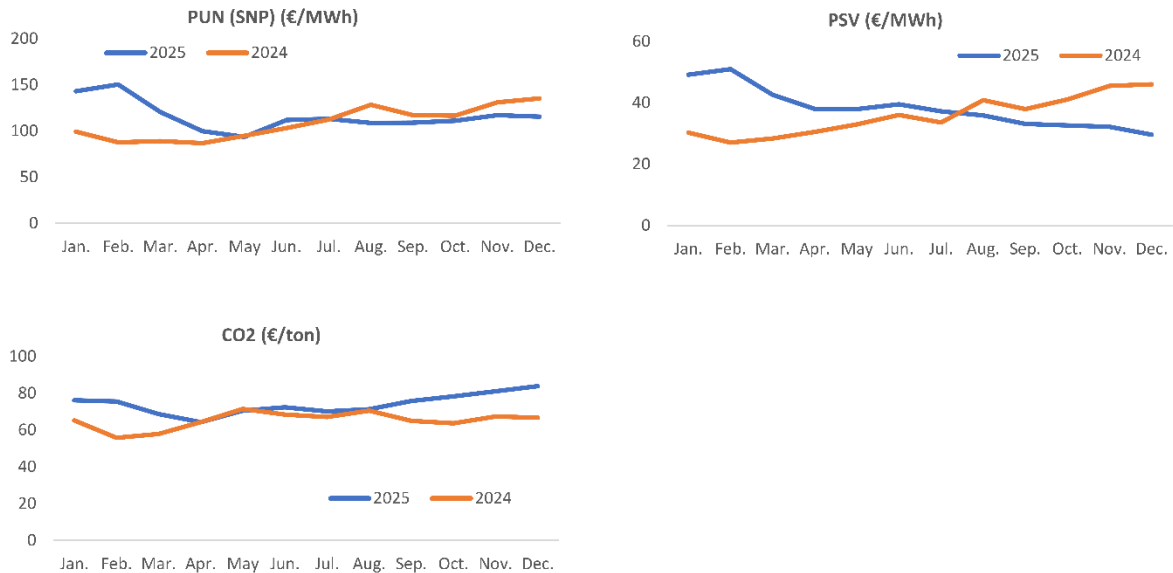
The 2025 results are significantly better than the previous year.

The Company achieved a Gross Operating Profit of EUR 95,909 thousand, compared to EUR 58,004 thousand achieved in 2024. The Operating Profit/Loss achieved was a positive EUR 61,998 thousand, compared to the previous year's one which was a negative EUR 221,536 thousand (negative for EUR 1,536 thousand, net of the write-down carried out following the impairment test).

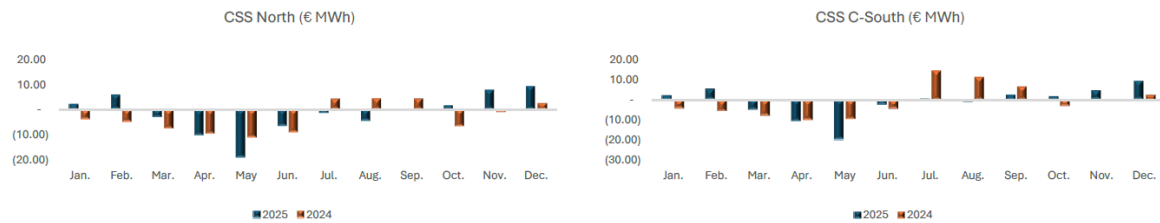
The market share contestable by CCGT plants continues to be strongly influenced by the penetration of renewable sources. In 2025, the contribution of renewable sources was 39% (41% in 2024) while the foreign balance was 19% (20% in 2024).

Operations in the MSD market were almost zero, as already found in recent years.

Compared to 2024, PUN increased by 7%. Commodity prices also increased. In fact, the price of gas increased by 7% for the variable component only, while the price of CO2 rights showed a less marked increase (+13%).



Market margins (base load energy price net of fuel costs and issue rights), remained negative for most of the year, although slightly improving compared to 2024. An improvement was recorded in the first and last months of the year compared to the previous year, while the summer months did not show the good results in 2024. The availability and reliability of the plants made it possible to “capture” positive margins in the hours in which they manifested themselves.



The results for the period were positively impacted by the Capacity Market premium.

In the last days of August there was damage to TV5's TGB gas turbine caused by the detachment of a blade from the first stage of the turbine, broken at its base. The accident anticipated the scheduled stop on 1 September and Terna obtained the continuation until December 31. The unavailability of the unit returned to the basket of available hours for scheduled maintenance and therefore did not give rise to defaults for the Capacity Market.

As a result of this accident, the restoration of the damage resulted in:

- an investment of EUR 23.4 million;
- an insurance refund of EUR 12.5 million;
- losses from disposals of EUR 1.3 million.

Finally, the excellent performance of hydroelectric plants recorded high production, especially in the first months of the year when the prices were higher.

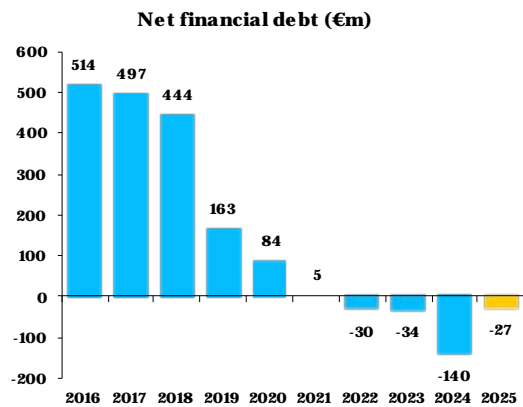
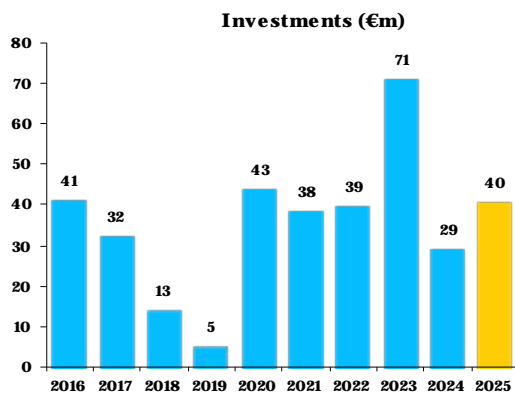
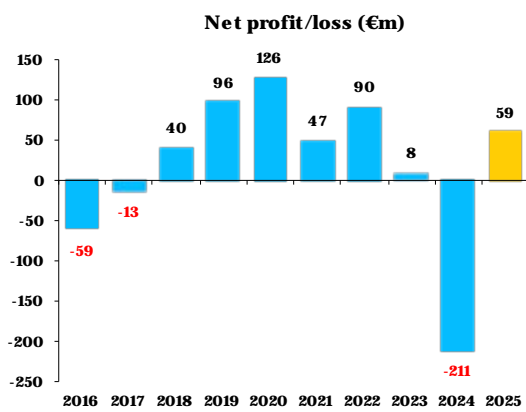
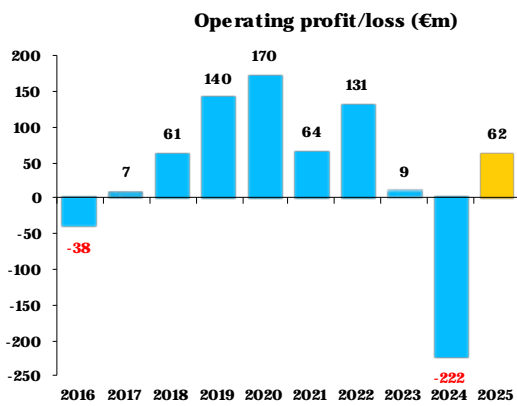
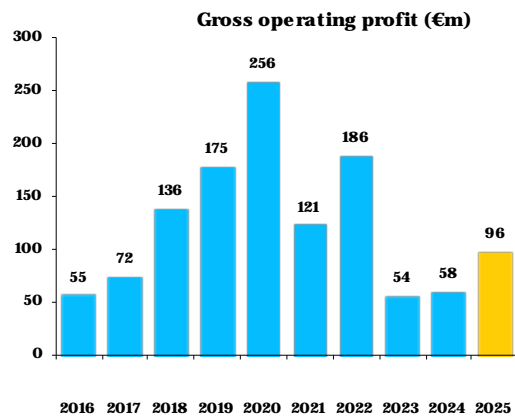
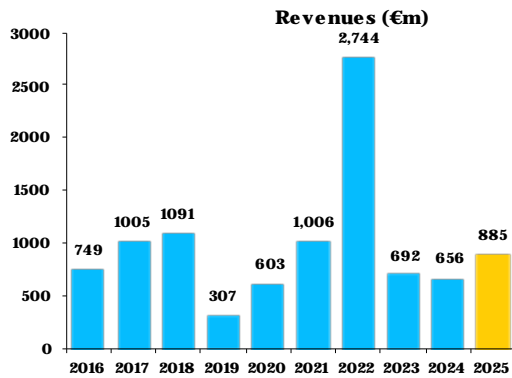
On May 30, 2025, the distribution of profit reserves to PFI holders and Shareholders was completed as required by the Articles of Association and as resolved by the Shareholders' Meeting that approved the 2024 Financial Statements.

Highlights of the Company

With the objective of presenting the results and analysing the financial structure, the tables below contain some “alternative performance indicators”, which management feels are most representative of the economic and financial results that are contained in the reclassified statements that differ from those set forth in the international accounting standards adopted. The section “Operating performance during the year” outlines the criteria used to calculate these indicators. The data, unless otherwise specified, may be directly deduced from the financial statements.

	12.31.2025	12.31.2024	% Change
Income Statement data (millions of Euro)			
Total revenues	885.3	655.8	35.0%
-of which revenues from energy sales	870.4	651.3	33.6%
Gross operating profit	95.9	58.0	65.3%
EBITDA (including commodity derivatives)	95.7	56.2	70.2%
Operating profit/loss	62.0	(221.5)	n/s
Net profit/loss for the period	59.1	(210.5)	n/s
Profit/loss before taxes (net of write-downs)	60.1	1.7	n/s
Equity and financial data (millions of Euro)			
Investments in fixed assets	40.3	28.8	39.9%
Cash flow from operating activities	27.5	134.8	-79.6%
Shareholders' equity	411.8	452.8	-9.0%
Net capital employed	384.7	312.7	23.0%
Net financial debt	(27.2)	(140.1)	-80.6%
Debt/Equity	n/s	n/s	n/s
Operating data			
Energy sold (GWh)	5,969	4,534	31.6%
Energy injected (GWh)	4,754	2,458	93.5%
Average amount (units)	226	231	-2.1%
Economic/financial indicators			
Unit revenue from energy sale (€/MWh)	145.8	143.6	1.5%
ROS (Return on Sales)	7.0%	-33.8%	n/s
ROI (Return on Investment)	4.4%	-47.0%	n/s
ROE (Return on Equity)	3.4%	-9.4%	n/s
Market indicators			
PUN (SNP) (€/MWh)	116.1	108.4	7.1%
PSV index (€/MWh) (source: “Heren” PSV index)	38.5	36.3	6.1%
Emission rights (€/ton) (source: “ICE” EUA Futures index)	74.9	66.5	12.6%
Price of Brent crude oil (\$/barrel) (source “Platt’s”)	68.2	79.9	-14.6%
US Dollar/Euro exchange rate (source Bank of Italy)	1.133	1.082	4.7%
1-month Euribor @ 365 average (source Il Sole 24 Ore)	2.207%	3.615%	-38.9%

The trend in the main profit indicators of the last 10 years is indicated below:



Operating structure

The Company is active in the production and sale of electricity through the management, in Italy, of some thermoelectric and renewable plants along the Tyrrhenian Sea area.

The following table summarises the main characteristics of such facilities:

Gross reference capacity commercial operation (MW)		
Production Units	as at 12/31/2025	Region
Vado Ligure plant	793	Liguria
Torrevaldaliga plant	1,176	Lazio
Naples plant	401	Campania
Total Thermoelectric	2,370	
Total Hydroelectric plants	75	Primarily in Liguria
Photovoltaic plant VL	1	Liguria
Total	2,446	

With its diversified production plants, the Company is able to generate electricity with high flexibility and competitiveness:

- the thermoelectric production units consist of 4 gas-powered combined cycles (VL5 in Vado Ligure, TV5 and TV6 at the Torrevaldaliga site and NA4 in Naples);
- the renewable sources include 19 hydroelectric plants (divided equally between “run-of-river” and “power regulation” stations) located along the entire Ligurian Apennines;
- October 2024 saw the entry into operation of the Vado Ligure photovoltaic plant, with a power of approximately 1 MWp, served by the relevant Renewable Energy Community (CER) in the territory of the Municipalities of Vado Ligure and Quiliano.

Information regarding the criminal proceedings of the Vado Ligure site

As described extensively in the previous financial statements, criminal proceedings were opened in 2013 by the Public Prosecutor's Office of Savona due to an environmental disaster, which saw some senior management and employees of Tirreno Power under investigation. On March 11, 2014, the Judge for preliminary investigations ordered the preventive seizure of units VL3 and VL4 of the Vado Ligure thermoelectric plant. On July 20, 2016, the notice of conclusion of preliminary investigations was served for 26 persons charged with the offences referred to in Article 434 paragraph 2 and Article 449 of the Italian Criminal Code.

The preliminary hearing, which began on October 27, 2017, ended on April 12, 2018 with the committal for trial at the hearing on December 11, 2018 of all 26 defendants before the Court of Savona. Some Environmental Associations (Greenpeace Onlus, Medicina Democratica-Movimento della Salute, Uniti per la Salute, Legambiente NPO, WWF-NGO Onlus, ANPANA Association), the Ministry of the Environment and Land and Sea Protection, the Ministry of Health, some Associations (ADOC, Accademia Kronos, Codacons, Art. 32, Cittadinanza Attiva) and 48 natural persons, appeared as Civil Parties. Not all the civil parties have quantified their claims for damages.

By means of deed of November 21, 2018, filed at the Court on December 18, 2018, Tirreno Power appeared at the proceedings as the civilly liable party.

The first instance of the criminal proceedings ended on October 3, 2023 with the issuance, by the Judge of Savona, of the acquittal of all the defendants and (consequent) exclusion of the civil liability of Tirreno Power S.p.A. for the crime of culpable disaster pursuant to article 40, paragraph II, articles 113, 434, 449 of the Italian Criminal Code, because the offence does not exist, with simultaneous release order and immediate return to the Company of the plants and areas seized on March 11, 2014.

On February 2, 2024, the Public Prosecutor's Office of Savona appealed against the ruling issued on October 3, 2023.

On February 16, 2024, the Uniti per la Salute association also lodged an appeal against the ruling, as did the Ministry of the Environment and the Ministry of Health, the latter with a single deed in which, like the Public Prosecutor's Office, they ask for the *"reform of the ruling, subject to renewal of the preliminary hearing within the terms indicated by the Public Prosecutor in its deed of appeal, or, in the alternative, after completion of an appraisal and, as a result, the criminal conviction of the defendants and the acceptance of the claims for compensation already formulated by the Ministries in the conclusions already submitted before the Court of Savona."*

The proceedings were sent by the Court of Savona to the Court of Appeal of Genoa on May 7, 2024. The criminal proceedings were recorded in the register at no. 904/2024 RG of the aforementioned Court of Appeal and were assigned to the Second Section, pending the setting of a hearing.

It should also be noted that the request for compensation for damages was again served on February 29, 2024, with a formal warning and default interest notice, by some natural persons who did not appear as civil parties in the Vado Ligure trial, notified for the first time on March 8, 2019. The compensation requested is for “*metus*” damage due to the operation of the coal-fired units of the Vado Ligure plant.

In relation to this appeal, the law firm assisting the Company confirmed that the assessment on the risk of losing is still possible.

MARKET SCENARIO

The energy product markets

A general increase in energy commodities was observed in 2025, with average values higher than those in 2024, except for oil and coal, which instead recorded a significant decrease.

The average price of natural gas decreased from 36.31 €/MWh in 2024 to 38.51 €/MWh in 2025, reaching a high in February (52.91 €/MWh) (*source: "Heren" PSV index*)

The average price of coal fell from 111.65 \$/ton in 2024 to 99.58 \$/ton in 2025 (*source: "ICE" API2 Rotterdam Coal Futures index*).

The price of Brent crude oil (ARA Spot Average) fell when from 79.85 \$/barrel in 2024 to 68.23 \$/barrel in 2025, with a low of 61.75 \$/barrel reached in December (*source: "ICI" Brent Crude Futures index*).

The average price of CO2 increased from 66.47 €/ton in 2024 to 74.87 €/ton in 2025, reaching a high of 84.97 €/ton in December.
(*source: "ICE" ECX EUA Futures index*).

The average USD/EUR exchange rate in 2025 was 1.133 €/€, an increase of +4.67% compared to 1.082 €/€ in 2024.
(*source: Italian Exchange Office*).

Production and demand for electricity in Italy

In 2025, the cumulative value of net production, equal to 268.420 TWh, showed an increase compared to 2024, while electricity demand, amounting to 311.324 TWh, recorded a slight decrease (-0.2%).

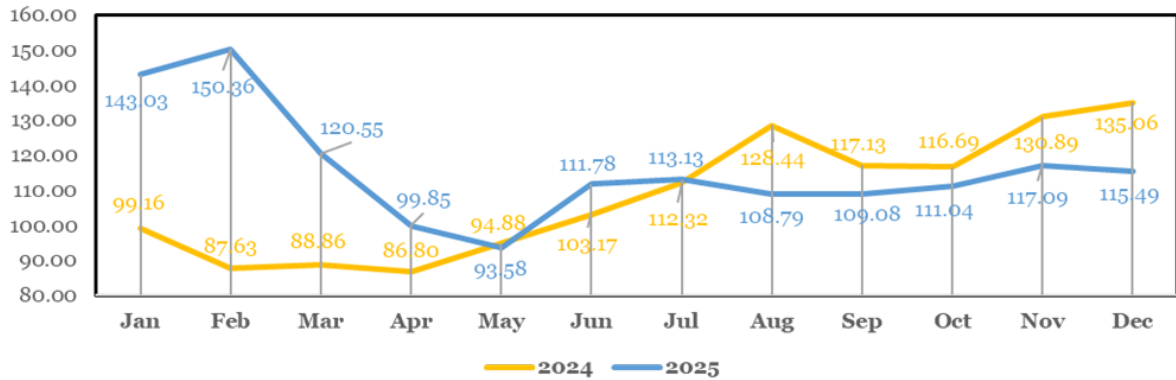
In particular, there was a significant reduction in hydroelectric production of -11.1 TWh (-21.2%), compared to an increase in pumping capacity of 8.5%. The foreign balance decreased by -4.1 TWh (-8.1%) together with wind power, which decreased by -0.7 TWh (-3.3%). The photovoltaic sector showed a significant increase of +8.9 TWh (+25.1%), as well as thermoelectric production, which increased by +6.7 TWh (+4.6%).

(*source: Terna - Monthly report on the electricity system - final balance December 2025*).

Trend in energy sales prices

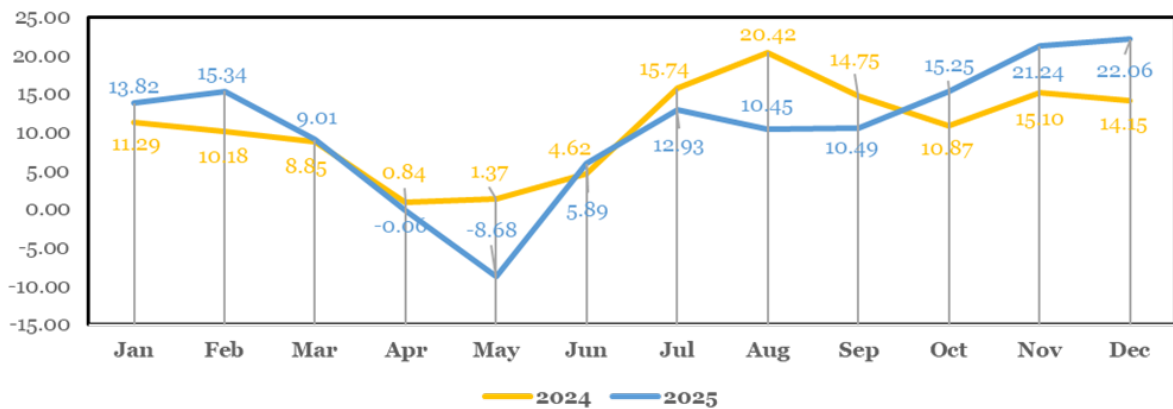
In 2025, the purchase price of energy (PUN) on the Day-Ahead Market (MGP) rose by 7% to 115.94 €/MWh (source: GME). In February, the PUN recorded its annual high with an average value of 150.36 €/MWh.

Purchase Price of Energy - PUN (€/MWh)



In 2025, the average Clean Spark Spread was equal to 10.62 €/MWh, marking a slight decrease of -0.06 €/MWh compared to 2024.

Clean Spark Spread Formula (€/MWh)



The Clean Spark Spread represents the electricity sale margin including variable costs (gas and CO2).

The presence of significant installed photovoltaic power of 43.5 GW, +6.4 GW compared to December 2024. (source: TERNA DATA - Installed Renewables Generation as at December 31, 2025), helped to create a price squeeze in the central hours; the hourly price profile has an average trend that shows a first peak between 8 and 11 and a second more evident peak between 18 and 22.

LEGISLATIVE AND REGULATORY FRAMEWORK

The following notes report the main legislative and regulatory events of 2025 that impact on the reference markets of Tirreno Power.

Emergency measures to combat the energy crisis: cap on the price of gas and Storage Regulation

In December 2022, the Energy Council formally reached a political agreement on the regulation that establishes a market correction mechanism to limit excessive gas prices.

The regulation aims to limit episodes of excessive commodity prices in the Union that do not reflect world market prices, at the same time ensuring the security of energy supply and the stability of financial markets.

The market correction mechanism is activated automatically when the following events occur:

- the price of one-month Ttf (Title Transfer Facility) derivatives exceeds 180 €/MWh for three working days;
- the price of one-month Ttf derivatives is EUR 35 higher than the reference price of LNG on world markets for the same three working days.

The mechanism was applied from February 15, 2023.

In December 2023, the European Council extended some emergency measures, including the gas price cap, whose term was set at January 31, 2025. At the expiry of the extension, the EU decided not to renew the emergency measure introduced in 2022.

On the other hand, as regards the Gas Storage Regulation, introduced in 2022 to counter the risks of disruption of gas supplies from Russia, the European Council and the Parliament reached a provisional agreement on the proposal to amend this Regulation, extending by two years (December 31, 2027) the obligation for Member States to have sufficient gas reserves before the winter season.

The agreement still maintains the binding target of 90% gas storage, but provides more flexibility by setting a deadline to reach it at any time between October 1 and December 1 instead of November 1.

The regulation was formally approved on July 8, 2025 by the European Parliament.

Reform of the European electricity market

In December 2022, the European Commission announced that the launch of a consultation on the proposed reform of the electricity market. The main areas of consultation were established in a document (non-paper):

- 1) Mechanisms to incentivise producers and consumers to enter into long-term contracts (Power Purchase Agreements or PPAs) for the purchase and sale of electricity produced by generation technologies other than natural gas and, in particular, renewables.
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- 2) Possible methods for adopting contracts by difference (CfD) to incentivise investments in electricity generation technologies which, due to their relative market maturity, require public support for their dissemination.
- 3) Methods of limiting the revenues of electricity producers from infra-marginal generation technologies.
- 4) Mechanisms to promote the offer of flexibility services by end customers, including the adoption of electricity storage systems.
- 5) Improve the transparency of the markets, first and foremost, with the alignment of the powers of ACER (European Agency for the Cooperation of Energy Regulators) under REMIT (EU Regulation no. 1227/2011 on wholesale energy market integrity and transparency) to the supervisory powers provided for by EU legislation on financial markets.

On March 14, 2023, the European Commission presented a proposal for the new design of the electricity market, which was put up for consultation.

After the approval of the European bodies, the Regulation and the Directive on market design were published on June 27, 2024.

Among other things, the text established the structural nature of instruments for the remuneration of electricity production capacity (i.e. capacity market), and are no longer considered temporary measures. Some of the issues included in the European electricity market reform, such as the remuneration of electricity production capacity, were taken up within the Clean Industrial Deal, a package of measures worth EUR 100 billion aimed at decarbonisation and strengthening European industry. An appendix entirely dedicated to Capacity Remuneration Mechanism (CRM) was included in the proposal presented on March 11. Among the elements dealt with: the types of mechanisms; penalties systems; the duration and advance of tenders with respect to delivery.

The new rules will then remain in force until December 31, 2030, in order to provide a longer planning horizon for Member States and predictability of investments and certainty for companies. In detail, for renewable sources and storage, EU Member States may introduce incentive schemes based on simplified tender procedures, including for specific technologies to enhance the national energy mix.

In January 2026, Italy implemented the directive in question with a measure that, among other things, establishes a set of rules relating to: more flexible supply conditions for end customers, expansion for remote self-consumption and network connections.

Rules relating to the capacity market

In 2017, the new mechanism for the remuneration of electricity production capacity (already set forth in ARERA (henceforth also the “Authority”) resolution ARG/elt 98/11) was formally notified by the Italian Ministry of Economic Development (MiSE), with the involvement of the Authority, at the Directorate-General for Competition of the European Commission. In February 2018, the Commission approved the Italian mechanism (and that of the other 5 countries) for 10 years, deeming it necessary for the adequacy and safety of the system.

By means of Ministerial Decree dated June 28, 2019, MiSE (Ministry of Economic Development) formally launched the Capacity Market mechanism. The Italian Decree established the holding of auctions by 2019, with expected delivery in 2022 and 2023.

At the end of April 2021, the Terna regulation on the capacity market for the delivery years after 2023 was put up for consultation. The regulation put up for consultation maintains the general set-up of the previous scheme essentially unchanged.

On October 28, 2021, the MiTE published the Decree approving the new capacity market scheme necessary to announce the 2024 auction. The Decree envisages that the auction for 2025 will be launched only after an assessment has been carried out on the adequacy of the system following procurement for 2024. If, for three consecutive years, the adequacy assessment of the system is positive, the capacity remuneration mechanism will be discontinued.

On February 21, 2022, the auctions were held for the delivery year 2024 and Tirreno Power was awarded all the capacity offered, equal to 1,883 MW, at the starting auction price for the existing capacity.

In February 2023, Terna published a report on the adequacy of the system in which some medium-term scenarios are described, investigating the level of possible lack of coverage of the requirements (LOLE). The Report, which defines the Italian system as adequate under certain assumptions in the medium term, highlights the need to have tools to maintain the minimum necessary capacity. At the end of 2023, Terna published an update of the report which also includes an analysis of economic sustainability for gas production capacity, which highlights problems of missing money in the medium-term.

In December 2023, Terna launched the consultation on the new capacity market regulations.

During 2024, the deeds needed for the definition of the new capacity market auctions were formalised through the publication of the new regulations drawn up by Terna, the ARERA resolution defining the technical-economic metrics of the mechanism and the new MASE decree.

The measures cited include a series of amendments to the previous regulations, including:

- the planning of 4 consecutive auctions to be held for the delivery years 2025-28;
 - a cap on the mechanism premium for existing capacity of 45,000 €/MW/year (2025 auction) with increases of up to 48,000 €/MW/year (2028 auction). The increase in the cap compared to the value in force up to financial year 2024 (33,000 €/MW/year) is due to the general increase in the fixed operating costs of the reference plants as a result of inflation and sector trends;
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- adjustments to the level of the exercise price, the default penalties and the days exempt from the mechanism penalties and available for maintenance. In particular, provision is no longer made for final default (which, under certain conditions, entailed the full loss of the annual premium and the payment of reallocation penalties to Terna), which has been replaced with the new prolonged default instrument, augmented by a specific entitlement for unavailability recorded in the critical summer months identified by Terna.

In July and December 2024, auctions were held for the delivery years 2025 and 2026, respectively. Tirreno Power was awarded the entire available CDP in both auctions (1,930 MW) at the maximum price envisaged for the existing capacity (equal to 45,000 €/MW/year for 2025 and 46,000 €/MW/year for 2026).

On February 26 and 27, auctions of the capacity market were held for the 2027 delivery year. Tirreno Power was awarded the entire CDP assigned for thermoelectric plants (equal to 1,930 MW) at a price of 47,000 €/MW/year, corresponding to the cap of the existing capacity.

The auction for the 2028 delivery year must be held following the performance of the first auction for the procurement of storage capacity ("MACSE" forward storage market) scheduled for September 30, 2025.

Starting from August 2024, several operators challenged the regulation and the results of the 2025 capacity market auctions before the Lazio Regional Administrative Court, owing to the exclusion of its plants from the "subject to adjustment" capacity category, and therefore from the possibility of accessing the new capacity incentive for one year.

Following the definition of the territorial jurisdiction of the matter, which involved the Council of State and which was attributed to the Regional Administrative Court (TAR) of Lazio, last summer the court rejected the appeal of B2G Sicily regarding the qualification of the Central CCGT of Priolo Gargallo as "Existing Production Unit" instead of "Production Unity Undergoing Adjustment" in the capacity market auction for the year of delivery 2025. In September 2025, following the acquisition by B2G Italy of the other applicant company (Termica Celano), the latter notified the act of waiver of all acts of the judgement relating to the Capacity Market.

Storage incentive mechanism

With DCO 393/2022/R/eel, ARERA defined an incentive model for the procurement of electricity storage capacity (in accordance with the provisions of art. 18 of Italian Legislative Decree no. 210/2021). The consultation proposed the criteria, conditions and methods on the basis of which Terna will have to draw up and send to the MiTE the proposed regulation of the mechanism, whose objective is to ensure the electricity system an adequate quantity of storage capacity for achieving the decarbonisation objectives. The consulted system envisages the creation of two different markets, one in which operators who intend to develop new storage capacity can participate and the other in which the flexibility products provided by batteries can be exchanged through Terna.

In June 2023, following the guidelines illustrated in the consultation, ARERA published the Resolution establishing the mechanism. In November, Terna launched the consultation on the proposed framework for the regulation of the electricity storage capacity procurement mechanism (MACSE). The mechanism was also notified to the European Commission for verification of compliance with the rules on State aid: the Commission approved it in December for an amount of EUR 17.7 billion in force until December 31, 2033.

In 2024, a new Terna consultation was held on the technical regulation scheme that supplements the observations received from the European Commission and, on October 10, MASE approved the new regulation that makes limited changes to the forward procurement of new capacity through the first auction dedicated to lithium-ion batteries.

With regard to the procedures dedicated to hydroelectric pumping, in December 2024, Terna published a recognition document concerning participation in the mechanism and the rules relating to the upgrades of these types of plants. By March 31, 2025, Terna must submit to MASE the proposal to amend the regulations relating to hydroelectric storage plants. The MACSE regulations for hydroelectric pumping have not yet been published. Terna started the consultation on the methodology to determine the time progression of the need for new storage capacity valid for subsequent auctions compared to the one dedicated to batteries.

On February 28, 2025, MASE approved the proposal for the electricity storage requirements for 2028 for the performance of the first MACSE auction (lithium-ion batteries). The requirements, equal to 10 GWh, will be distributed for the different market areas, except for the North and North Centre Zones, which have a quota of 0.

On July 29, Arera published Resolution 362/2025/R/eel approving the maximum premium for the first auction set at 37,000 €/MWh/year. On September 30, 2025, the auction was held for the 2028 delivery year dedicated to lithium-ion batteries: 10 GWh of capacity (equal to the entire quota) were allocated with an offer equal to more than 4 times the demand. The strong competitive pressure pushed the weighted average premium below 13,000 €/MWh-year: a value of approximately one-third of the reserve premium. In 2026, a new tender is planned for new battery storage capacity and the first tender dedicated to new pumping systems.

Energy policy rules for the development of renewable sources and the containment of electricity prices

In order to implement the objectives envisaged at European level for Italy for the development of renewable sources and to reduce electricity prices for the end consumers, a number of measures have been put in place. These include:

- Following the legal action that affected the 2024 Eligible Areas Decree, challenged by a series of operators before the Regional Administrative Court (TAR) of Lazio, the legislation in question was absorbed by the Transition 5.0/Eligible Areas legislative decree converted into law in January 2026. Under the new measure, the Regions will not be able to identify new Non-Eligible Areas and will not be able to reduce the Eligible Areas compared to those identified by the State. Other innovations: the introduction of a safeguard clause to protect projects already authorised before the entry into force of the new decree and the removal of the reference to the IAA as a requirement to identify industrial plants to which the reference of 350 metres within which areas are considered eligible is to be applied.
 - The Energy/Bills Decree, circulated in draft form in September 2025, provides for various measures against expensive bills, in addition to the rules for promoting PPAs in small- and medium-sized companies and for the securitisation of charges related to creating incentives for renewable energy. As far as is known, the measure also contains rules on virtual network saturation, Data Centres, gas release and PSV-TTF gas price differential. The presentation of the decree in its final form is currently pending.
 - The RES 2 Decree, which promotes the construction of renewable energy plants with non-mature technologies or with high construction costs. The decree was approved by the European Commission on June 4, 2024 and provides for a quota of 4.6 GW by 2028. In December 2024, the GSE published the Operating Rules, thus concluding the regulatory process. The first bankruptcy procedure, open from December February 16 to 14, 2025, concerns biogas and biomass. The following were opened on July 7: the second call dedicated to biogas and biomass and the first dedicated to floating photovoltaic plants on internal waters. The auction dedicated to offshore wind power is expected in 2026; the total quota for this technology is 3.8 GW to be assigned by 2028.
 - The RES X Decree establishes incentivising mature renewable sources with the aim of developing 40 GW of photovoltaic plants and 16.5 GW of wind farms by 2028 through an auction mechanism. This Decree is waiting to be approved by the European Commission. With the aim of injecting impetus to the mechanism as early as 2025, the transitional RES X was prepared. Sent by MASE last summer, the measure was approved by the European Commission on December 17. The first tender, for plants with a power exceeding 1 MW, took place through the showing of interest by operators from June 3 to 24, 2025. In addition, last July, MASE amended the Transitional RES X decree with the aim of promoting “Made in Europe” photovoltaic power. Last December the dedicated auction ended with the allocation of 1.1 GW (total quota 1.6 GW).
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- The Corrective TU RES legislative decree, published in the Official Journal on November 26, 2025, introduces several specific innovations for each authorisation regime. The decree intervenes on the Consolidated Law, in force since December 2024, in relation to various aspects: definitions, authorisation regimes, eligible areas, simplifications, digitalisation and disputes.
- The Energy Release Decree establishes an incentive mechanism for energy-intensive companies. The tool provides for the advance supply of electricity at prices reduced by the Manager of Energy Services (GSE) for 3 years, in return for the commitment to build new plants using renewable sources, through whose production the advance benefit is returned in the following 20 years. The start of the related competitive procedure is expected in the early months of 2026.

In February 2026, the text of the new Energy or Bills law decree was published, which defines a series of measures aimed at reducing energy prices for end consumers.

Among others, the rules set out in Article 6 provide for very strong actions on the formation of wholesale electricity prices and the management of sales of electricity production. In summary, it is established that ARERA:

- Define, within three months, measures to assess the conduct of withholding capacity of operators and that establish that the opportunity costs estimated at the time of sale are the only legitimate economic reasons for the increase of offers on the Day Ahead Market compared to the marginal cost. This rule recalls the principles used by ARERA in surveying the wholesale electricity market, the preliminary findings of which had been published in the summer.
- It establishes the methods for reimbursing, from January 1, 2027, to thermoelectric producers (i) variable unit fees (other than those functional for hedging variable costs) and (ii) additional components of the gas transmission tariff.
- It defines the methods for reimbursing the same producers costs associated with the purchase of ETS quotas on the basis of the expected cost for an efficient combined cycle plant. This measure is subject to authorisation by the European Commission in light of the State aid rules.
- It defines checks for the correct transfer of such reimbursements to the downstream market and any appropriate sanctions in the event of non-transfer and it amends the capacity market rules in a consistent manner (considering that measures have impacts on the operating price of the mechanism).

The effects on the future margins of the Company deriving from the provisions of the new law decree are not yet assessable.

An additional rule provided for in Article 3 finally establishes the increase of two percentage points in IRAP for certain economic entities, including Tirreno Power, for the tax periods 2026 and 2027.

The future effects of this increase in tax are not considered significant in relation to the IRAP taxable income expected in the two-year period concerned.

Integrated Text on Electricity Dispatching (TIDE)

ARERA, by means of DCO 685/2022/R/eel, following a consultation in 2019, launched the Consultation on the Integrated Text on Electricity Dispatching (TIDE).

This reform aims to guarantee the safety of the electricity system, efficiently and at the lowest cost, in the current context in continuous evolution, characterized by the increasing spread of non-programmable renewable sources and distributed generation, as well as the progressive reduction in use of programmable systems. Furthermore, the text aims to rationalise the general regulatory framework of dispatching so as to group in a single regulatory body all the provisions that have been adopted over the years in line with the evolution of the European regulatory framework.

The final text was approved in July and its application set for January 1, 2025.

In 2024, Terna, ARERA and GME launched some consultations on specific aspects of TIDE in order to outline its implementation.

Last December, ARERA published the final version of the Integrated Electricity Dispatching Text, which incorporates some additions and amendments with respect to the 2023 provision. Starting from January 1, 2025, the transition phase was launched, during which some provisions entered into force, including: the start of the phasing out of the PUN through the application of the GME PUN Index; the start of 15-minute trading on the auction-based MI, XBID and MSD markets and the related block offers.

During 2025, the final documents were published by Terna and Arera, with a view to defining the phase of consolidation of the TIDE, starting from February 1, 2026. These include:

- Dispatch guarantee regulation, which provides for the activation of a switch-in practice to switch from the previous guarantee system to the new one;
- Annex A.83 of the Network Code, which provides for the reduction of the mandatory FCR deadband starting from 1 August 2026 and related remuneration for the willingness to provide the service;
- Annex A.23 of the Network Code and Chapters 4 and 7 which provide for the reconnection to the Picasso Platform (secondary reserve exchange at transnational level) which took place on November 25, 2025 and the start of participation in the MARI Platform (tertiary reserve exchange at transnational level). Terna has not yet set a date for when this will happen.

Rules on Hydroelectric Concessions

Although throughout the year the Government continued to put forward assumptions to regulate the hydroelectric concessions scheme according to alternative models, the relevant legislation was not amended. Accordingly, management and assignment are delegated to the laws of the respective Regions

which, at the end of the period, must define tender procedures based on technical, economic and sustainability criteria. Some regions, including Lombardy and Piedmont, have initiated these competitive procedures which, in many cases, have been challenged by the outgoing dealers, resulting in the failure to complete the assignment process. It should be pointed out that the hydroelectric concessions currently held by the Company, which fall under the scope of application of the regulation in question, will reach their natural expiry in 2029.

Tariff regulation criteria for the natural gas transport and metering service for the sixth regulatory period

Under resolution no. 448/2022/R/gas, it initiated proceedings for compliance with the rulings of the Council of State (nos. 6096 and 6098 of July 18, 2022) concerning the regulation of gas tariffs for the periods 2018-19 and 2020-23. Therefore, based on said resolution, ARERA intends to introduce measures of flexibility and cost-effectiveness of the tariff for high-consumption entities, in application of art. 38, paragraph 2 bis, of Italian Law Decree no. 83/2012.

In fact, owing to this failure to apply the aforementioned legislative decree, an appeal was filed by some operators, including Tirreno Power, against the transitional gas regulatory period 2018-2019, upheld by the Lombardy Regional Administrative Court. The Council of State subsequently rejected the appeal filed by ARERA against the ruling of the administrative court regarding the 2018-2019 gas regulatory period, acknowledging the erroneous failure to apply measures of greater flexibility and savings for large gas consumers.

With a similar ruling, the Council of State also declared the 2020/23 period as non-compliant.

Following the aforementioned resolution, ARERA launched a consultation in February 2023 (41/2023/R/gas) for the definition of the application criteria of tariff discounts for high-consumption customers (starting from 2024) and for the granting of any reimbursements to the plaintiffs. However, subsequently, by means of resolution 410/2023/R/gas, ARERA suspended the process of compliance on the basis of the introduction of a new regulation repealing the content on the matter in Italian Law Decree no. 83/2012.

Together with other operators in the sector, Tirreno Power challenged this latest ARERA measure. Following the acceptance of the appeal, ARERA reactivated the compliance procedure, with Resolution 156/2024, considering to submit the identified measure to the European Commission in order to assess its compatibility with EU law.

In August 2025, with the publication of Resolution 400/2025/r/GAS, instead of providing for economic measures for compensation of operators, ARERA decided to file the case, after submitting it for a first review by the European Commission. Tirreno Power, together with other operators, has prepared a new appeal challenging Resolution 400/2025/r/GAS. The court hearing is scheduled for May 2026.

ARERA Investigation: assessment of the outcomes of electricity auction markets with short-term delivery in the period 2023-2024 started

On October 8, 2024, the Authority launched a fact-finding investigation to assess the outcomes of short-term electricity auction markets in the years 2023-2024.

The objective was to monitor competition and the correct functioning of the electricity market and to detect phenomena potentially classifiable as abusive cases pursuant to the Remit Regulation, also considering the strengthened and extended importance of the monitoring activities of the wholesale markets, precisely with a view to collaborating with other TSOs to identify and prevent sales based on inside information or market manipulation.

Among other reasons for the opening of the investigation is also to task the offices of the Authority to closely study the standards and process of procuring reserves in recent years following the preliminary investigation started to closely study the causes and possible solutions regarding anomalies found in the formation of imbalance prices that led Italy to exit the Picasso Platform.

With Resolution 302/2025/R/eel, on 30 June 2025, ARERA published the results of its analyses.

As regards CCGT technology, the Authority specified that, in relation to a perfectly competitive case and without assessing the extent of the opportunity costs underlying production:

- evidence was recorded of possible conduct of economic capacity retention in a number of hours equal to (at least) 30% in both 2023 and 2024;
- there are possible upward impacts on zonal prices in each offer area (compared to the simulated scenario in the absence of economic capacity retention conduct) in a number of hours equal to (at least) 28% in 2023 and 25% in 2024;
- in these hours, ARERA clarified that the corresponding average difference between actual and simulated prices is between 17-22 €/MWh in 2023 and between 15-24 €/MWh in 2024, depending on the assumption adopted for the calculation of the marginal cost of the production units in question.

On the other hand, as regards wind and solar technologies, the same two phenomena were recorded more frequently than the combined cycle, but with a lower impact on zonal prices.

The impact on prices in these cases can be quantified as an average difference between actual prices and simulated prices (in the impact hours) within the range of 5-9 €/MWh in 2023 and in the range of 1-2 €/MWh in 2024, depending on the offer area in question and jointly considering the two technologies in the simulation.

In any event, ARERA itself states that it has adopted simplifying assumptions and that it has excluded certain categories of installations from the analysis due to a lack of sufficient information.

Finally, ARERA highlighted the need to deepen the investigation by integrating missing information and postponed the assessment of whether to extend the investigation to other auction markets to a later date.

Although the resolution presents a preliminary report subject to subsequent investigations, given the market regulation effects that it could produce, Tirreno Power provisionally challenged the measure at the Regional Administrative Court (TAR) of Lombardy.

Start of proceedings for the evaluation of potential abuse in the wholesale electricity market

As indicated in the previous financial statements, in June 2016, by means of resolution no. 342/2016/R/eel, the Authority had launched an investigation against a number of electricity operators, including Tirreno Power, relating to alleged abusive behaviour in the wholesale electricity market. The investigation concerns two separate cases: the first refers to the alleged adoption of consumption unit scheduling strategies and plants powered by non-programmable renewable sources not consistent with the standards established by the Authority. The second regards production units authorised to submit offers on the Dispatching Services Market that would not have offered their capacity on energy markets, encouraging Terna to establish units for balancing the system and subsequently increasing its costs.

As regards Tirreno Power, in July 2017, by means of Resolution no. 511/2017/E/eel, the dismissal of the proceedings relating to the adoption of consumption unit scheduling was ordered. The outcome of the proceedings has still not been notified in relation to the other strand of the investigation and, at the current state of play, any negative consequences for the Company are considered unlikely.

ENERGY TRANSITION

The Energy Transition O.U. conducted a series of surveys to identify development opportunities for Tirreno Power in the field of production from renewable sources. In particular, during 2023, studies were carried out for the enhancement of the areas available at the production sites of Tirreno Power. These studies revealed the possibility of developing photovoltaic plants at the Vado Ligure and Torrevaldaliga Sud (Civitavecchia) sites. In 2024, works were completed on the Vado Ligure photovoltaic plant with a power of approximately 1 MWp, serving the related energy community in the municipalities of Vado Ligure and Quiliano, and the plant entered into operation in October. At the Torrevaldaliga Sud (Civitavecchia) site, the construction of two photovoltaic plants, one of about 1 MWp and one of about 1.7 MWp, for a total power of about 2.7 MWp, is coming to a conclusion. The plant of about 1 MWp will serve the Civitavecchia Renewable Energy Community with which an agreement was signed to make the plant available. Both plants are expected to enter into operation in 2026.

PRODUCTION SCENARIO

The energy injected in the period amounts to 4,754 GWh, sharply up compared to 2024 (+2,297 GWh).

The following table provides details of the energy injected, with respect to the same period last year, broken down by unit and plant:

Energy injected (GWh)	12.31.2025	12.31.2024	Changes
Combined Cycles	4,561	2,273	2,288
Torrevaldaliga - TV5	736	414	322
Torrevaldaliga - TV6	252	118	135
Vado Ligure - VL5	2,196	1,071	1,125
Naples - NA4	1,377	671	706
Renewable Sources	193	184	9
Total	4,754	2,458	2,297

(Source: Company Database)

In 2025, the production of CCGTs was higher than the previous year. The increase, attributable to the improvement of market margins, concerned all the Company's plants.

Hydroelectricity production also increased slightly compared to the previous year.

Plant maintenance

With regard to the **Vado Ligure Power Plant**, the VL5 unit carried out the scheduled annual shutdown from April 6 to 30. Maintenance activities on the unit first concerned only the 52 gas turbine line to allow the boiler bottom couplings to be restored and replaced on the 52 steam recovery generator. From 17 April the shutdown affected the entire unit. In addition, two scheduled short-term shutdowns were carried out from January 31 to February 2 respectively to inspect the GVR52 and to carry out temporary restoration on the boiler bottom couplings, while from June 13 to 14 the gas network operator (SNAM) operated on its equipment, leading to an agreed interruption of supply. In the second half of the year, from October 6 to 19, scheduled work was carried out on the 51 recovery steam generator to allow the restoration of certain plant components; during the shutdown, the plant was totally shut down from October 16 to 18 to allow the preventive replacement of a pole of the unit switch (GIS).

During the reporting period, no significant accidental events were reported for the Vado Ligure Power Plant.

A scheduled shutdown was carried out on the TV6 unit of the **Torrevaldaliga Sud Power Plant** from May 12 to June 8. During the shutdown, the textile joints of the C recovery steam generator were replaced, maintenance was performed on the steam turbine engine switch and boroscopic checks were carried out on the C gas turbine. At the same time, a short-term shutdown was carried out on the TV5 unit to allow the gas network operator (SNAM) to perform some work with a consequent temporary interruption of the supply of natural gas. From September 8 to October 12, the TV5 unit carried out the annual scheduled shutdown for restoration work on the A gas turbine and maintenance on the recovery steam generators which included: periodic checks of pressurised parts, replacements of textile couplings and the overhaul of different process valves. During the reporting period, regarding the incidents at the Torrevaldaliga Sud Plant, the detachment of a blade from the 1st expansion stage of the B gas turbine on August 28 is reported. The event involved the partial unavailability of the unit until the end of January 2026.

The **Napoli Levante Power Plant** carried out the first of two scheduled shutdowns of the NA4 unit March 17 to March 26 inclusive. The main activities concerned six-monthly fire-fighting checks, boroscopic checks on the 41 gas turbine and some checks and repairs on the steam generator. The scheduled major overhaul and life time assessment (MO-LTA) shutdown, scheduled for December 1, 2025 to January 25, 2026, was postponed due to the timing of the supply of some components, from February 2 to April 5, 2026.

During the reporting period, no significant accidental events were reported for the Napoli Levante Power Plant.

With regard to **hydroelectric plants**, the following significant events are reported.

In the first half of 2025 the dredging activities in the Valla reservoir (Spigno Monferrato, AL) ended. These activities were successfully completed, ensuring the full operational efficiency of the infrastructure. On April 3, 2025, during the supervisory visit (pursuant to Article 25 of Italian

Ministerial Decree No. 94/2024) by the Ministry of Infrastructure and Transport, a complete test of the functionality of the dam's discharge work was carried out with positive results.

On February 25, 2025, in compliance with the current provisions on structural safety, with particular reference to Italian Ministerial Decree 06.26.2014 (NTD14, "Technical rules for the design and construction of restraint barriers") and the related explanatory circulars, the verification of the seismic vulnerability of the large Santa Maria del Taro dam (Prov. PR) was transmitted, which proved successful in accordance with the required performance criteria; the verification is currently being evaluated by the Directorate-General for Dams of the Ministry of Infrastructure and Transport, for the relevant investigation.

In the second half of 2025, extraordinary maintenance activities at the Ponte Vizzà plant were concluded, with the work involving the entire machine axle.

Also in the second half of 2025, activities were started to rebuild the barrier of Bevera, damaged in 2020 on the occasion of Storm Alex. The civil part of the new work was completed in the second part of the year. The work is expected to be completed in 2026.

As far as incidents are concerned, it should be noted that on September 22, following an exceptional weather event that affected Val Bormida, the Spigno plant was involved in a flood that affected the external and internal areas of the plant. The flood caused the complete flooding of the local turbines and damage to part of the automation and distribution electrical panels. Cleaning, dismantling and replacement of damaged components were started promptly, allowing the two generation units to return to service in November.

ENVIRONMENT AND SAFETY POLICY

During the course of 2025, with a view to making its activities increasingly sustainable, not only from an economic point of view but also from an environmental and social perspective, the Company continued to aim to achieve high levels of protection of the territories where it operates, the safety of workers, both internal and belonging to third-party companies, and control of all aspects that have potential social and reputational repercussions. The Sustainability Policy was updated. It sets out the founding values of the company and the guidelines for implementing a sustainable development process and is the reference followed by the "Environment and safety policy" of the integrated management systems adopted by all sites and certified pursuant to the standard UNI EN ISO 14001:2015 for the environmental part, and UNI ISO 45001:2023 for the safety part. In the Policy, the site managers specify the commitments, objectives and actions they intend to put in place to improve the environmental performance of the plants and the health and safety of the organisation's workers, taking due account of both the results of the analysis of the context in which the organisation operates, and therefore of the satisfaction of the Compliance obligations, i.e. the expectations of relevant related parties, which then become requirements that the Company voluntarily chooses to comply with.

The organisation

In order to effectively achieve the aims of the Sustainability Policy and, therefore, of the integrated management systems, the Company's organisational model provides special powers of attorney with which the General Manager assigns the Heads of the Production units full powers for the fulfilment of the duties related to the protection of the environment and of workers' health and safety.

To consolidate its process of sustainable development, in an integrated way with the strategic priorities of the business, the Company has established the Sustainability and Environment operating unit, which, by identifying the most relevant issues through stakeholder mapping (at national and local level) and the materiality analysis, annually reports the results obtained through the Sustainability Report externally and within the Company.

Integrated management systems

The implementation of management systems and their certification ensures compliance with regulatory requirements, as a mandatory element for obtaining system certification, and provides for the continuous improvement of the organisation's performance in terms of the environment and safety, active participation of employees and transparency with institutions and the public.

The Company has not only implemented environment management systems, but has chosen to acquire the EMAS registration (Eco Management and Audit Scheme), the most prestigious environmental certification in Europe. During 2025, the EMAS registrations of the Torrevaldaliga and Naples sites were renewed; the certification of the occupational health and safety management system of the Hydroelectric Plants was renewed for an additional three-year period and the integrated environmental and safety certifications of the Naples, Torrevaldaliga and Vado Ligure sites and the safety certifications of the Rome headquarters were confirmed.

Training, information and education

Sustainability, environmental and safety training and information are used to improve employees' skills and to increase their professionalism and strengthen their cohesion and sense of belonging to the Company. In 2025, activities continued aimed at informing production sites about the correct interpretation and implementation of the obligations deriving from the new applicable legislation as well as training personnel on environment and safety issues. A training session was also held at the Sustainability Committee on the regulatory evolution of the CSRD Directive.

In addition, the dissemination of company values and training sessions on sustainability and non-financial reporting took place in conjunction with the collection of data in preparation for the drafting of the 2024 Sustainability Report.

Environmental and sustainability reporting

In addition to mandatory reporting for sites subject to the Integrated Environmental Authorisation such as thermoelectric power plants, the environment management systems provide periodic reports on environmental data and performance that are subject to management review for an analysis of any comments and non-conformities that have emerged during the audits, in order to identify and implement the necessary corrective actions.

In addition, EMAS certified sites update the public on their environmental performances through the *Environmental Statement*, a document issued every three years and updated annually. During the early months of the year, with the involvement of a large number of employees, collection of 2024 quantitative and qualitative data was completed, as required by the GRI Sustainability Reporting Standards for the company's reporting of the non-financial aspects of its business that have the most significant impacts on stakeholders (local communities, employees, environment). The 2024 Sustainability Report was therefore published, both in paper format and on the company website, after being submitted to the Board of Directors in March 2025.

Following the publication, in February, of the Omnibus I package amending the CSRD Directive by the EU Commission, implemented in Italy by Law 118/2025, the terms of application as per the provisions of Legislative Decree 125/2024 transposing the CSRD Directive in Italy were postponed by 24 months. The same scope of application of the reporting obligations will be amended, following the agreement reached between the European Parliament and the European Council in December, which will lead to a significant reduction in the number of companies subject to reporting.

The main environmental events

The Company's combined cycle plants operate on the basis of currently valid Integrated Environmental Authorisations, which contain the requirements with which the Operators must comply, and the established methods and timing, to allow them to continue to operate. During 2025, the Operators of the Napoli, Vado Ligure and Torrevaldaliga power plants complied with the ordinary requirements contained in the Integrated Environmental Authorisations and sent the DAP (periodic update document) and the Annual Report to ISPRA according to the required frequency.

In addition, between March and April in Naples and between July and September in Vado Ligure, the Ordinary Inspection Checks by Control Authorities were carried out, expected and planned through a specific annual ministerial programme for installations subject to Integrated Environmental Authorisation. The checks ended without finding violations of the regulatory framework, as per the Concluding Report received from ISPRA in June (Naples) and November (Vado Ligure), respectively. At the hydroelectric sites, the maintenance works established in the Management Projects prepared and transmitted for each reservoir were carried out. During 2025, for the performance of these activities, the reservoirs of Millesimo, Santa Margherita Vara, Zolezzi, Piana Crixia, Malanotte and Santa Margherita del Taro were emptied; these emptying operations allowed extraordinary maintenance on the normally submerged parts to be carried out. The dredging with full reservoir activities at the Valla dam (Spigno Monferrato AL) that had begun during 2024 were also completed.

INVESTMENTS AND DEMOLITIONS

INVESTMENTS

During 2025, the Company made investments totalling EUR 40,295 thousand, of which EUR 39,162 thousand relating to tangible fixed assets and EUR 1,133 thousand to intangible fixed assets.

With regard to tangible fixed assets, the investments mainly concerned:

- for the Naples Levante plant (EUR 1,712 thousand) the supply of TG and TV insulation, the advance for DCS migration to T3000 Siemens activities, as well as the activities carried out during the scheduled shutdown;
- for the Vado Ligure plant (EUR 3,168 thousand), the overhaul of the GVR 52 boiler bottom couplings, the advance for DCS migration to T3000 Siemens activities, the replacement of GVR screens, as well as the activities carried out during the scheduled shutdown;
- for the Torrevaldaliga Sud plant (EUR 28,010 thousand), the activities to restore the TGB rotor fault (EUR 18,883 thousand), the advance for the HGPI of TV6 (EUR 1,498 thousand), the advance for spare parts to overhaul the steam turbine and TV6 generator (EUR 1,120 thousand), the activities for the installation of the photovoltaic plant (EUR 1,179 thousand), as well as the adjustments to the safety system, the overhaul of 2IC and CIC TV6 connectors), the installation of the scam pumps, the supply of textile couplings for GVR manifolds, as well as the activities carried out during the scheduled shutdown;
- with regard to the hydroelectric power plant (EUR 5,129 thousand), the new barrier of the Bevera intake works (EUR 1,312 thousand), the extraordinary overhaul of the alternator turbine of the Vizzà plant, the extraordinary maintenance work on the Cairo diversion canal, the geognostic survey and removal of sediment at Valla, the post-2025 flood restoration work at the Spigno power plant, as well as execution of sundry civil works.
- Investments in intangible fixed assets are attributable to new licences and the development of software applications.

DEMOLITIONS

The dismantling of the machinery of the machine room and the demolition of the abandoned buildings of the Torrevaldaliga Sud plant are being completed.

PEOPLE AND ORGANISATION

The year 2025 was characterised by the ordinary management of issues related to People and the Organisation, with constant commitment to improving the corporate climate, relations with colleagues on HR issues and personnel's professional satisfaction, also through greater knowledge and training.

The entire team of the People and Organisation Department has been involved in the Top Employer certification renewal process, the international institute that has recognised and certified excellence in personnel management practices for over 30 years.

The company participated in the certification programme by completing the HR Best Practices Survey and undergoing the subsequent validation by an external auditor.

After the lengthy assessment phase, the Top Employers Institute confirmed that Tirreno Power meets the high standards required by the certification in 2025 as well, recognising the company as a Top Employer.

The Top Employers Institute positively assessed the internal opportunities for sharing results and strategies (half-yearly webinars and periodic meetings on-site), the transparent structure of the selection, onboarding and offboarding processes, the training courses based on awareness and development of skills, numerous well-being initiatives and climate surveys.

Main changes - 2025 Budget Law

The 2025 Budget Law confirmed until 2027 the increase in the limit on individual tax and contribution exemption from EUR 258.23 to EUR 1,000 for all employees, raised to EUR 2,000 for workers with dependent children.

This provision, which spans several years, confirming the importance of company welfare policies, allows the value of the benefits already offered by the company to employees to be maximised (non-occupational accident insurance, life insurance, assignment of car for mixed use, shopping vouchers, etc.) and offers greater flexibility for the company in its offer of benefits.

The 2024 Budget Law provided for a **total exemption** from social security contributions to **mothers of three or more children**, with a maximum value of EUR 3,000 and until the youngest child is eighteen, valid **from 1 January 2024 to 31 December 2026**.

The 2025 Budget Law established a partial contribution exemption for **working mothers of two or more children**, provided that the income does not exceed EUR 40,000 per year and until the youngest child reaches the age of ten. This exemption will not be cumulative with the one already provided for by the 2024 Budget law.

From 1 January 2025, the rules for the taxation of company vehicles granted to employees for mixed use have also changed, both for work and for personal needs. In fact, the 2025 Budget Law provided for new percentages to determine the value of the fringe benefits, which contributes to determining income from employment, differentiated according to the environmental impact of the vehicle, increasing the fringe value for cars with high emissions, and decreasing the value for plug-in hybrid and electric traction cars.

A transitional regime was subsequently introduced for cars ordered in 2024 and delivered by June 30, 2025 to allow companies to review car policies in light of the possible higher costs caused by the increase in the value of the benefit.

The last innovation introduced by the 2025 Budget Law concerns board, accommodation and transport expenses for travel, which have become exempt from taxation and contribution only if paid with traceable tools. Otherwise, these amounts will contribute to taxable income and will be non-deductible for the company.

Compulsory placement

During the first half of 2025, the procedural process started in the last months of 2024 was completed for the signing of an agreement with the Rome Employment Centre, aimed at introducing resources with disabilities into a social cooperative to which Tirreno Power has entrusted activities aimed at the supply of food parcels for its employees.

The choice to use this opportunity offered by the legislation is dictated by Tirreno Power's clear vision regarding corporate social responsibility and has also enabled the company to remain in compliance with the recruitment obligations provided for by law for staff belonging to protected categories.

Company performance bonus

The final calculation of the targets assigned for the 2024 performance bonus resulted in the disbursement of 120% of the portion allocated to profitability, and of 120% for the productivity portion, for a total cost of roughly EUR 1.2 million.

The final allocations made by employees confirm the trend observed in previous years:

- 86 out of 218 employees (39% unlike the 45% in 2024) elected for the payment of the entire bonus in cash;
- 114 employees (around 52% unlike the 48% in 2024) opted to receive a portion of the bonus in the form of welfare and/or supplementary pension with the remainder in their pay;
- 18 employees (8% compared to 7% in 2024) allocated the entire bonus to welfare or supplementary pension schemes.

The final bonus was subject to the subsidised taxation regime set forth by current legislation (equal to 5% for 2025 as well) as the criteria for increased profitability/productivity required by the regulations were met.

The preference for welfare or supplementary pension initiatives, i.e. entitlements that are subject to special legislation governing contribution and tax concessions, allowed employees to maximise the value of the bonus received and, correspondingly, allowed the Company to reduce its contribution. Approximately 30% of the total amount of the performance bonus was converted into corporate welfare initiatives.

For the year 2025, following the renewal of the trade union agreement relating to the performance bonus, the total cost of performance bonus amounted to approximately EUR 1.0 million, corresponding to 100% of the base value agreed with the trade unions due to the recognition of company profitability at 120% following the excess of the EBITDA value envisaged in the agreement.

With the 2026 Budget Law, additional tax concessions were included relating to the corporate performance bonus, which will have an impact on the disbursement of the 2025 bonus:

- substitute tax at 1% to be applied to the 2026 disbursements to employees with a 2025 income of less than EUR 80,000.00;
- soft bonus amounting up to EUR 5,000.00.

MBO

During the first half of 2025, the MBO incentives relating to the 2024 plan intended for company management were disbursed, for a total cost of approximately EUR 0.8 million.

For 2025, the total cost of the MBO is estimated at a total of EUR 0.8 million.

LTI PEOPLE

With reference to the new LTI plan for the three-year period 2024-2026, an annual value of approximately EUR 0.7 million is also set aside for 2025.

Trade union agreements

The year 2025 saw the company and the trade unions engaged in the local areas for the renewals of video surveillance agreements, for which the authorisation procedure was initiated through the Labour Inspectorate, while at national level the renewal of the agreement on the Performance Bonus for the three-year period 2025-2027 and the Smart Working agreement for the two-year period 2026-2027 was defined.

With reference to the renewal of the Performance Bonus, with a view to strengthening the Welfare initiatives, the company has agreed with the Trade Union Organisations to the possibility of allocating up to 100% of the total bonus available to forms alternative to payment in the salary slip, increasing the measure by 60% provided for in the old agreement. The Parties have also introduced a new option for the allocation of the bonus, which may be partially converted into hours of leave, up to a maximum of 16, to be used freely during the year of allocation, confirming the company's focus on promoting work-life balance.

HR Dialogues

As part of the HR Dialogues initiative launched in 2024, the following activities were carried out in 2025:

- updating of the “management document” with all the changes introduced during the year due to regulatory changes and contractual changes occurred with the renewal of the national collective bargaining agreement;
- organisation of webinars on the subject of supplementary pension, structured in three sessions, the first to provide useful general information to all employees and two dedicated respectively to employees with the highest social security age (over 20 years of contributions) and younger workers, in consideration of the different planning needs of their social security future;
- organisation of an in-depth webinar on the different components of the pay slip to respond to the numerous questions intercepted during the meetings organised at the company's various sites.

The participation recorded in the video conferences was over 50% of the company's population, indicating interest on the topics proposed and the new comparison method adopted for 2025.

National Collective Bargaining Agreement renewal

On 11 February 2025, the agreement on the renewal of National Collective Bargaining Agreement for the Electricity segment was signed for the three-year period 2025-2027.

The increase in the total contractual minimums envisaged for the three-year period is EUR 290.00 (calculated on the average contractual parameter), to which is added, starting from 2026, a progressive increase in the amounts allocated by the company to the company welfare (collectively EUR 5 for supplementary health care and EUR 7 for supplementary pension).

As a result of this renewal, from 1 April 2025 the contractual minimums were revalued by 3.2%.

The amount of EUR 210.00 intended to increase company productivity bonuses was also confirmed for the three-year period.

From a regulatory point of view, the main change concerns the reduction in total working time as, from 2025:

- an additional 3 half-days absence has been planned for employees during the year on the dates of November 2, December 24 and 31 already affected by freedom in the afternoon hours, or of substitute permits in the case of work performance on the aforementioned days;
 - the useful period for the accrual of additional holidays has also been reduced from the initial 20 to 24 for newly hired staff, which switches from 6 years to 3 years of company seniority.
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Renewal of economic agreements

In 2025, the amounts relating to some economic institutes agreed to with the trade union agreement signed in 2024 (daily ticket, travel allowance, lump sum meals, etc.) for the three-year period 2024-2026 were increased.

Digitalisation of personal file

Consistent with the objective of progressive digitalisation of HR processes, a feasibility study was launched in the second half of 2025 for the creation of a digital file for the employee, dematerialising paper documents and archiving native digital documents in a single container. From a future perspective, the project also includes the assessment of adopting a document management system in accordance with current legislation. The project initiated involved some suppliers with expertise in digital storage and is expected to be completed in the first half of 2026.

Organisation

The HR process “VIAGGIO IN TP” (“TP journey”) launched in 2024 was continued. It describes all the phases of the professional life of people in Tirreno Power and the role of the People and Organisation Department. The goal of this HR path is to optimise the main stages of each employee's TP journey, from the selection process, to entry into the organisation, through professional development and training, to leaving the company.

This course aims to encourage adequate involvement of people, share the company culture and values, provide the tools for managing the employment relationship, enhance and develop skills in support of strategic objectives and ensure the well-being of the individual, the work team and the organisation.

2025 saw the conclusion of the placement paths started, with the transition from a fixed-term to an indefinite period of 3 resources.

The training initiatives of 2025 confirmed the company's attention to both environmental and safety issues, with the delivery of precise content for greater awareness and competence on safety issues, and to soft skills development courses, with a focus on leadership and team management and storytelling

The Leadership project involving 12 resources over a period of 6 months ended. These latter are in addition to the 20 employees involved in the initiative already started in 2024.

The managerial awareness and growth course was repeated for a group of managers, involved in individual psychometric tests and team activities to reflect on role identity (individual dimension) and on the skills model (organisational dimension). The offer of individual coaching courses was also extended to additional managers involved in the customised awareness and growth experience.

The entire company population participated in the training project “Travellers' Stories”. The itinerary, organised on different local areas in residential mode, addressed the theme of storytelling relating to Tirreno Power's DNA, shared identity, ability to work in a group.

Other training initiatives concerned the topic of cybersecurity with particular in-depth study on NIS2, and the update of Italian Legislative Decree 231/2001 training that involved the entire company population.

Many initiatives were delivered via distance learning and, where possible, the use of e-learning and live streaming courses continued.

In quantitative terms, 5,887 hours of training were delivered in 2025, with an average of roughly 26 hours per employee, with safety-themed training accounting for 36% of the total.

Organisational well-being

In the first half of 2025, in continuity with the information indicated in the publication of the HR process “*Employee Engagement – The energy of engagement*”, which clearly identifies the main elements to be monitored for the management of engagement in Tirreno Power, the second corporate engagement survey was administered to all staff, which recorded the participation of about 65% of employees.

The results revealed an average positive engagement level, expressing an average score of 3.3 on a scale of 1 to 5, recording a very slight decrease compared to the first survey administered in the same period of 2024 (score 3.5 on a scale of 1 to 5)

In the second half of 2025 (November), all staff were given the annual company climate survey, which recorded the participation of about 67% of employees, down from last year's survey.

At the aggregate level, the result that emerged was a score of 3.5 on a scale of 1 to 5, also down from 2024 (3.6/5), but still positive in terms of corporate climate perception.

New corporate well-being initiatives were introduced, in addition to the extension of most of the initiatives launched in prior years, in particular:

- "Frutta in ufficio" ('Fruit in the office'): the weekly supply of fresh organic fruit continues in all company offices.
 - “Mens Sana in *Corporate Sana*” ('a healthy mind in a healthy business'): partnership renewed with a new supplier (Serenis) for the use of an on-line platform where personnel can look after their individual/mental well-being.
 - “Club del Risparmio” ('Savings club'): the initiative aimed at boosting employees' purchasing power using a platform that offers the possibility of taking advantage of numerous discounts was extended.
 - Fitprime (today Wellhub): in March, a partnership was signed with one of the main companies dealing with **corporate well-being**. Thanks to the activation of this agreement, it is possible to activate at advantageous prices a membership at affiliated gyms or train in different ways, in addition to taking advantage of other numerous services offered by the platform.
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- Welfare Platform: during the first half of the year, after a tender with several suppliers, the contract was renewed with Edenred, leader in Italy for the management of meal vouchers, company benefits and solutions for corporate welfare.
 - Let's talk about AI: in July and October, two in-depth webinars on artificial intelligence were carried out, during which in-depth analyses on this new technology were provided, exploring the basic concepts and providing some practical suggestions to better understand the potential in business applications.
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DIGITAL TRANSFORMATION

The year 2025 was characterised by activities concerning cybersecurity. The infrastructural technological refresher to support the SOC (Security Operation Centre) service, which contains the WAF (Web Application Firewall) system that prevents threats to services exposed on the web, the firewall mail that protects company emails, the data governance system that guarantees the monitoring of the company information assets and finally the SIEM (Security Information and Event Management) used to collect and relate security events from other systems. In the second half of the year was also completed the update of the last component of security systems, the web filtering, which acts as a filter to threats coming from the web (such as spyware, mobile malicious code, ransomware). From the point of view of compliance, the implementation of an analysis gap has been initiated with regard to EU Directive 2022/2555 (NIS2), with the aim of defining the degree of compliance with the regulatory provisions and identifying any macro-areas for action. The IT security training programme for all staff has ended. The initiative, aimed at raising awareness and knowledge of IT risks, has achieved a participation and completion of 71% of staff. To complete the training course, a phishing simulation was conducted to test the effectiveness of learning: the test recorded an extremely limited percentage of compromise, equal to 3.46%, confirming the high level of attention received by staff. With regard to aspects related to applications to support business processes, the portal for the management of documentation collection, evaluation and formalisation of contracts with counterparties, in the energy sector, was released in production. The new version of the application for the management and monitoring of the dispatching activities of the plants and the new version of the application dedicated to the analysis of historical data of the MGP market, useful to predict prices in support of the commercial strategy, were released. In the field of Administration, the new functions of the ERP system were issued both in the field of fixed assets journal and reporting. To support all directions, the new version of the application used for managing the book signing digital practices was released.

Purchasing, Services and Security

The PO-41 - "Security Procedure - Risk management and mitigation" procedure was updated to implement the cybersecurity provisions contained in Italian Legislative Decree 138/2024 (NIS2) in relation to risk assessment in supply chain management.

Obligations regarding Italian Legislative Decree no. 231/01

The Model has been revised as a whole and approved by the Board of Directors by means of resolution of February 21, 2025.

All the obligations identified in Italian Legislative Decree no. 24/2023 for the whistleblowing reporting system for companies with up to 249 employees have been put in place.

The Supervisory Board reported positively to the Board of Directors on the effectiveness of the Model for the prevention of predicate offences.

Obligations for compliance with Regulation EU no. 679/16 regarding personal data processing (“GDPR”)

The GDPR - General Data Protection Regulation - i.e. the European privacy regulation approved on April 14, 2016, directly applicable to EU member states, which rolled out a new regulatory framework governing personal data protection, entered into force on May 25, 2018. In Italy, the regulation was completed with Italian Legislative Decree no. 101/2018, adjusting the Italian legislation into line with the European regulations.

The Company has complied with regulatory obligations regarding the protection of personal data provided by the GDPR EU 2016/679, which has, among other things, revised Legislative Decree 196/2003 “Code on the Protection of Personal Data”, i.e. the national legislation on privacy (“Privacy Code”).

All the personal data processing obligations identified by the Whistleblowing Decree (Legislative Decree 24/23) were put in place.

During the second half of 2025, with a view to constantly adapting the most recent guidelines of the Privacy legislation, and in accordance with the GDPR, the corporate privacy documents were updated.

AUDIT Committee

The Company employs an Audit Committee which supervises the Internal Audit activities, reporting the results to the Board of Directors every six months.

OPERATING PERFORMANCE DURING THE YEAR

The criteria used for the construction of the reclassified statements that contain alternative performance indicators with respect to those obtained directly from the financial statements are reported below:

Gross operating profit: an operating performance indicator, calculated as "Operating profit" plus "Amortisation, depreciation and write-downs" and "Provisions".

EBITDA: an operating performance indicator, calculated as "Operating profit" plus "Amortisation, depreciation and write-downs."

Net fixed assets: calculated as the difference between the "Non-current assets" and "Non-current liabilities" with the exception of:

- "Payables for loans";
- "Provisions for risks and charges";
- "Post-employment and other employee benefits";
- "Deferred tax liabilities".

Net working capital: defined as the difference between "Current assets" and "Current liabilities" with the exception of:

- "Payables for loans";
- "Cash and cash equivalents";
- "Provisions for risks and charges";
- the bank current account advances and bank current account debt exposures included in "Other current financial liabilities".

Net capital employed: calculated as the algebraic sum of "Net fixed assets", "Net working capital" and provisions.

Net financial debt: defined as the sum of "Payables for loans", the bank current account advances and bank current account debt exposures included in "Other current financial liabilities", net of "Cash and cash equivalents" not previously considered in the definition of other balance sheet performance indicators. This indicator does not include the residual debt portions of rights of use relating to long-term car rentals and property rentals.

Return on Investment (ROI): defined as the ratio between Operating profit/loss and Net capital employed at the end of the period.

Return on Sales (ROS): defined as the ratio of Operating profit to total Revenues.

Return on Equity (ROE): defined as the ratio of Net Result to Shareholders' Equity.

Unit revenue from energy sales (€/MWh): calculated as the ratio of revenues from energy sales for the period to energy sales in the period.

Incidence of financial expenses on total revenues: defined as the percentage ratio between the financial expenses in the period and the total revenue for the period.

ENERGY BALANCE

Energy sold in 2025 totalled 5,969 GWh, a sharp increase compared to 2024 (+1,435 Gwh).

The energy balance is presented below with a reconciliation of the quantity of energy purchased and unbalanced that makes it possible to reconcile the volumes sold with the actual energy injected to the grid.

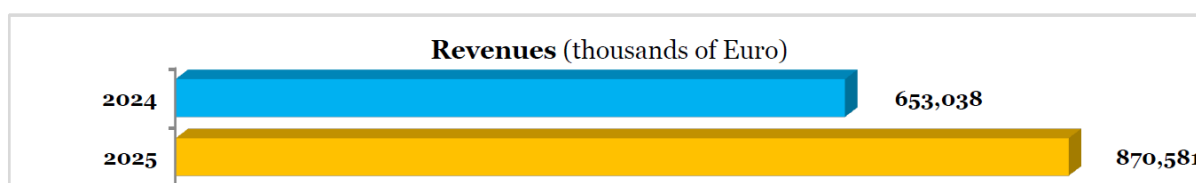
Energy balance (GWh)	12.31.2025	12.31.2024	Changes
Energy injected	4,754	2,458	2,297
Energy purchased	1,290	2,128	(838)
Energy sold	5,969	4,534	1,435
-Free Market	831	1,781	(950)
-Power Exchange	5,037	2,660	2,377
-Dispatching Services Market	101	93	8
Imbalances	(75)	(51)	(23)

RECLASSIFIED INCOME STATEMENT

The values of the reclassified Income Statement are reported in Euros, without decimals. For a better disclosure, comments on the individual items are expressed in thousands of Euro.

(Euro)	12/31/2025	12/31/2024	Changes
Revenues	870,580,506	653,037,756	217,542,750
Other revenues	14,735,603	2,746,804	11,988,799
Total revenues	885,316,109	655,784,560	229,531,549
Own work capitalised	831,488	628,379	203,109
Consumption of raw materials	(602,654,333)	(480,540,520)	(122,113,813)
Personnel costs	(22,348,348)	(21,643,431)	(704,916)
Service costs	(20,820,819)	(25,109,982)	4,289,162
Other costs	(144,414,889)	(71,114,636)	(73,300,253)
Total costs	(789,406,901)	(597,780,190)	191,626,711
Gross operating profit	95,909,208	58,004,370	37,904,838
Provisions	(244,493)	(1,811,764)	1,567,271
EBITDA	95,664,714	56,192,606	39,472,108
Amortisation/depreciation	(33,666,513)	(57,728,126)	24,061,614
Write-downs	-	(220,000,000)	220,000,000
Operating profit/loss	61,998,202	(221,535,520)	283,533,722
Financial expenses	(3,782,175)	(3,845,322)	63,147
Financial income	1,891,790	7,124,261	(5,232,471)
Pre-tax profit/loss	60,107,816	(218,256,581)	278,364,397
Taxes	(998,525)	7,743,281	(8,741,806)
Net profit/loss for the period	59,109,291	(210,513,300)	269,622,592

Revenues, amounting to EUR 870,581 thousand, showed an increase compared to 2024 (EUR 217,543 thousand).



The breakdown of the item is summarised in the table below.

(Euro)	12.31.2025	12.31.2024	Changes
Free market (other)	93,822,371	196,919,931	(103,097,560)
Power Exchange - day-ahead market	663,210,554	364,176,218	299,034,336
Power Exchange - dispatching services market	18,649,018	21,633,985	(2,984,967)
Hydro sales to GSE	7,929,731	7,159,682	770,049
Capacity Market/Payment	86,834,476	61,431,177	25,403,299
Other	134,355	1,716,764	(1,582,408)
TOTAL	870,580,506	653,037,756	217,542,750

The higher volumes sold on the stock exchange (2,377 GWh), together with a slight increase in PUN, which recorded an increase of about 8 €/MWh compared to 2024, led to the increase in revenues from sales on the MGP market, which increased by EUR 299,034 thousand.

In 2024, sales to the Open Market were almost exclusively attributable to the sale of energy to shareholders to hedge the gas purchase, a guarantee not provided for in the contracts entered into in 2025.

In view of the above, revenues from the free market dropped by EUR 103,098 thousand compared to 2024.

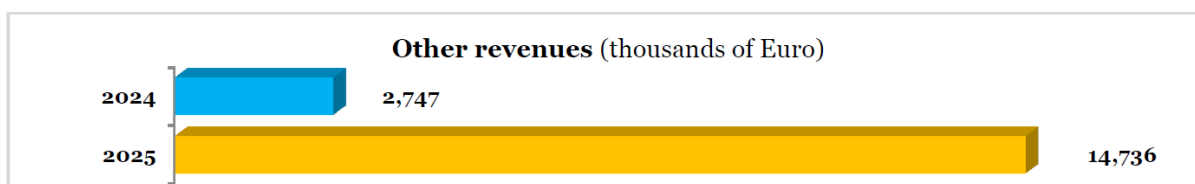
Revenues from sales on the dispatch market show a slight contraction of EUR 2,985 thousand. Against volumes substantially in line with the previous year, there was a decrease in average sales revenue of about 20%. However, volumes and revenues remain at decidedly low levels if compared to the values recorded in the years before the start of the Capacity Market.

In 2024, the item "other" includes revenues from the sale of scrap for demolition of the TV4 unit (EUR 1,590 thousand).

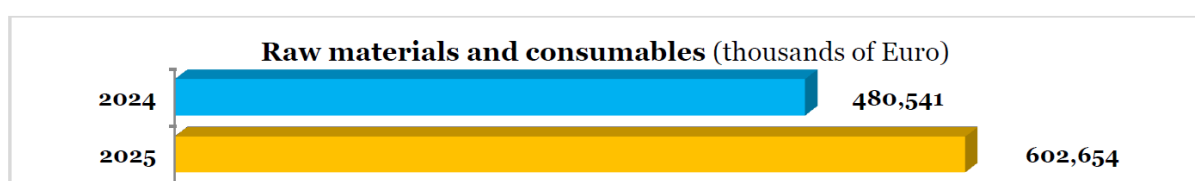
Other revenues amounted to EUR 14,736 thousand and mainly arose from the insurance refund relating to the damage suffered to the TGB gas turbine of Torrevaldaliga (EUR 12,500 thousand). There were also contingent assets (EUR 1,521 thousand) that mainly refer to adjustments of items related to previous years as well as revenues from the recognition of the tax credit for the purchase of capital assets (EUR 409 thousand)

In 2024, other revenues of EUR 2,747 thousand were recognised and mainly concerned the recognition of the tax credit for the purchase of capital goods (EUR 445 thousand), the insurance repayment relating to the criminal proceedings (EUR 160 thousand) and contingent assets for EUR 1,866 thousand, linked

to the repayment of ENI excise duties (2006-2007 dispute) for EUR 898 thousand, as well as positive adjustments to costs/revenues of previous years, mainly due to energy items.



The **cost of raw materials consumption** amounted to EUR 602,654 thousand, up by EUR 122,114 thousand compared to 2024.

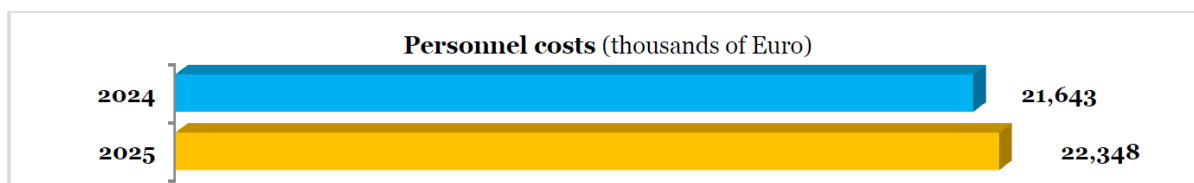


The cost of fuel consumed in the period amounted to EUR 459,470 thousand, sharply up compared to the cost incurred in 2024 (EUR +216,614 thousand). There is a significant volume effect as the quantities consumed show an increase of about 95% as a result of increased production. On the other hand, the PMP showed a slight decline from 527.4 €/ksmc to 510.5 €/ksmc). The reduction in the MPP, despite the increase in the variable component of the gas cost, is due to the different weight of the fixed quota in the two years. In fact, in 2024, given the low quantities of gas consumed, the weight of the fixed portion (which remained practically unchanged) was greater.

Charges related to the purchase of energy and trading on the power exchange amounted to EUR 140,729 thousand, a decrease of EUR 94,583 thousand compared to 2024. This decrease is mainly due to lower energy purchases from GME and bilateral energy purchases (EUR 105,665 thousand) mainly due to the lower amount of energy purchased to meet bilateral sales contracts. It should be noted that in 2025, it was not necessary to sell energy to shareholders to hedge the purchase of gas.

On the other hand, the value of purchases in the MSD market increased by EUR 11,082 thousand due to the increase in operations in the MSD market to decrease (repurchased GWh increased by 53%) with an increase in average repurchase costs (+9%).

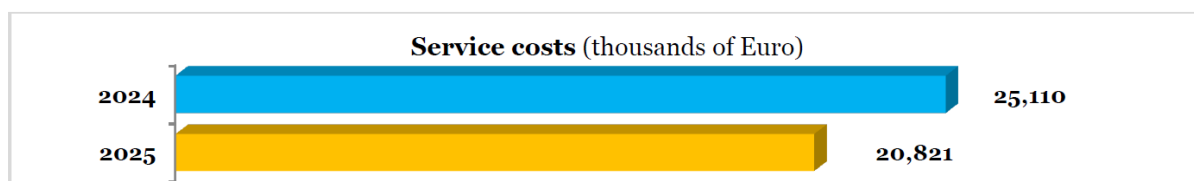
Personnel costs amounted to EUR 22,348 thousand, basically in line with the same period of the previous year (EUR 21,643 thousand). The decrease in average balances is offset by the increase in unit costs due to the contractual renewal.



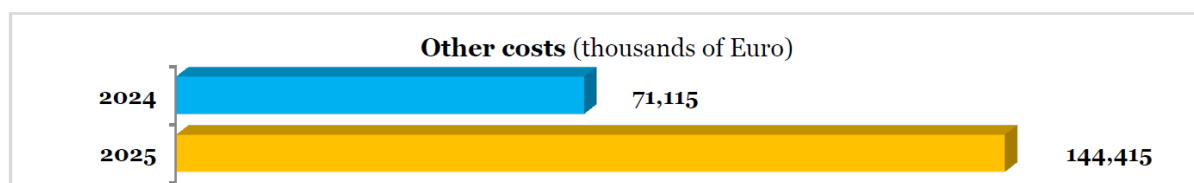
The table shows the average balance by job classification in 2025 compared with the previous year.

Average amount	12.31.2025	12.31.2024	Changes
Executives and Middle Managers	50.1	48.4	1.7
White-collar employees	148.5	154.2	(5.7)
Blue-collar workers	27.3	28.0	(0.8)
TOTAL	225.8	230.6	(4.8)

Costs for services for the period amounted to EUR 20,821 thousand and decreased by EUR 4,289 thousand compared to 2024, mainly attributable to lower insurance costs (EUR 3,676 thousand), in particular to the Capacity Market policy, not taken out in 2025. There were also lower dispatch charges of EUR 620 thousand.



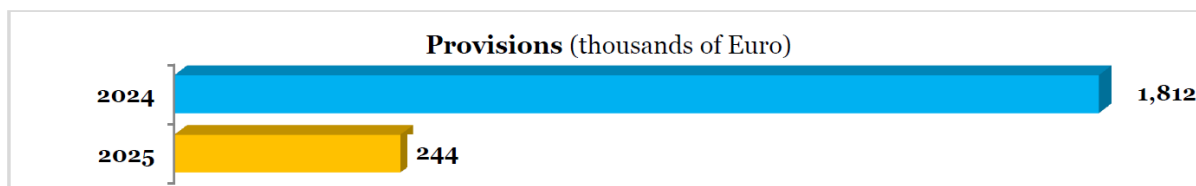
Other costs amounted to EUR 144,415 thousand, an increase of EUR 73,300 thousand compared to 2024.



The change is mainly due to higher emissions rights charges, amounting to EUR 72,418 thousand, due to the significant increase in emissions (+891 Kton) following the higher production and the increase in the PMP to value CO₂ (74.79 €/tonne in 2025 compared to 68.61 €/tonne in 2024). EUR 1,285 thousand were also recorded as losses from disposal of assets (Torrevaldaliga TGB rotor).

Gross operating profit came to EUR 95,909 thousand vs EUR 58,004 thousand realised in 2024.

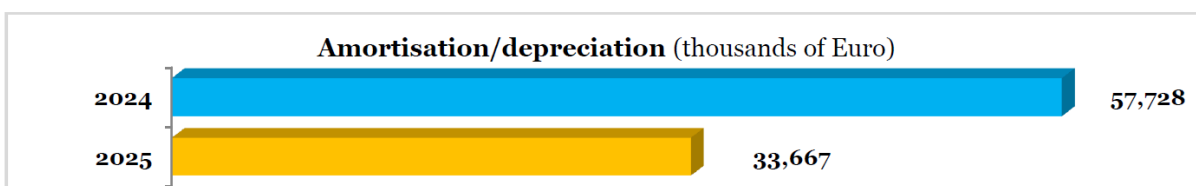
The **provisions** of EUR 244 thousand concerned the annual estimate of the Long Term Incentive Plan (EUR 658 thousand), the regional tax on the State concession of Napoli for the years 2020 to 2024 (EUR 784 thousand), partially offset by the release of the remaining provision created in 2015 for spare materials in stock relating to coal-fired plants (EUR -994 thousand)



In 2024, provisions showed a balance of EUR 1,812 thousand and related to the adjustment of the provision for demolition of the chimney of the TV4 unit (EUR 900 thousand) and of the provision for demolition of the VL3 and VL4 units (EUR 300 thousand) for the completion of the activities to put in order the external areas, as well as EUR 658 thousand relating to the estimate of the Long-Term Incentive, partly offset by the repayment of the asbestos provision (EUR 168 thousand).

EBITDA amounted to EUR 95,665 thousand compared to EUR 56,193 thousand in the previous year.

Amortisation and depreciation (EUR 33,667 thousand) is considerably lower (EUR 24,062 thousand) than in 2024, almost entirely following the write-down carried out in December 2024.

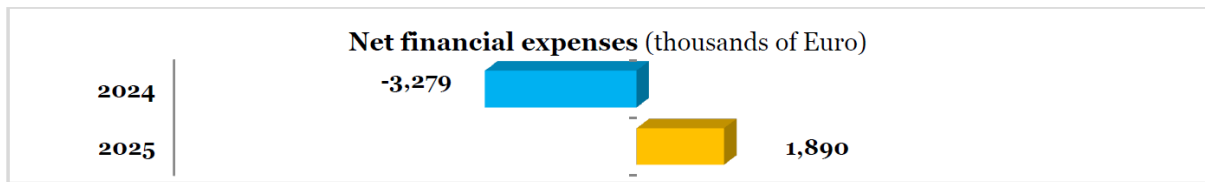


Operating Profit/Loss amounted to EUR 61,998 thousand, compared to a negative Operating Profit/Loss of EUR 221,536 thousand achieved in 2024.

In 2025, **financial expenses** of EUR 3,782 thousand were recorded, in line with 2024 (EUR 3,845 thousand). EUR 2,487 thousand refers to the adjustment of dismantling provisions for CCGT plants and EUR 1,186 thousand to charges on bank guarantees and sureties.

Financial income amounted to EUR 1,892 thousand, down EUR 5,232 thousand from 2024. The amount derives from interest income on bank current accounts.

In 2024, it included the repayment of surety charges (2006-2014) for EUR 4,834 thousand, as well as interest income accrued on bank accounts and Time Deposits (EUR 1,956 thousand).



Taxes as at December 31, 2025, amounting to EUR 999 thousand, refer to:

- IRAP for the year, in the amount of EUR 1,800 thousand;
- the positive effect of the release of deferred tax liabilities for the year, amounting to EUR 1,360 thousand;
- the adjustment of deferred tax liabilities relating to previous years, in the amount of EUR 559 thousand.

For more details, please refer to note no. 27.

Therefore, in 2025 there was a **net profit** of EUR 59,109 thousand, compared to the loss of EUR 210,513 thousand in 2024.

ANALYSIS OF THE CAPITAL STRUCTURE

Reclassified Balance Sheet

The values of the reclassified Income Statement are reported in Euros, without decimals. For a better disclosure, comments on the individual items are expressed in Euro.

(Euro)	12/31/2025	12/31/2024	Changes
Net fixed assets			
Tangible and intangible assets	369,315,719	364,621,021	4,694,699
Other net non-current assets/(liabilities)	8,989,633	6,344,329	2,645,303
Total net fixed assets	378,305,352	370,965,350	7,340,002
Net working capital			
Inventories	150,020,721	70,930,426	79,090,295
- of which purchased emission rights	135,154,747	57,587,851	77,566,896
Trade receivables	64,762,877	74,142,584	(9,379,706)
Tax (payables)/receivables	(1,800,000)	-	(1,800,000)
Trade payables	(61,111,311)	(85,255,136)	24,143,825
Other net current assets/(liabilities)	(62,793,814)	(37,448,446)	(25,345,368)
Total net working capital	89,078,473	22,369,428	66,709,046
Gross capital employed	467,383,825	393,334,777	74,049,048
Other provisions			
Provisions for risks and charges	(64,488,531)	(61,550,018)	(2,938,513)
Post-employment and other employee benefits	(3,605,970)	(3,664,797)	58,827
Deferred tax liabilities	(14,632,797)	(15,434,272)	801,475
Total other provisions	(82,727,299)	(80,649,087)	(2,078,211)
Net capital employed	384,656,527	312,685,690	71,970,837
Shareholders' equity	411,844,579	452,784,333	(40,939,754)
Net financial debt	(27,188,053)	(140,098,643)	112,910,590

Tangible and intangible assets decreased by EUR 4,695 thousand. The main changes concerned:

- amortisation/depreciation in the period amounting to EUR 33,667 thousand,
- investments in the period of EUR 40,295 thousand.

For details of investments made in the period, please refer to the appropriate section “**Investments and Demolitions**”.

Other net non-current assets/(liabilities) rose by EUR 2,645 thousand compared to 31 December 2024. The increase is almost entirely attributable to the payment of the Capacity Market 2027 security deposit (EUR 2,708 thousand).

Inventories, amounting to EUR 150,021 thousand, recorded an increase of EUR 79,090 thousand compared to December 31, 2024. This change is almost entirely attributable to the purchase of CO2 rights related to emissions for the period.

It should be noted that with the entry into force of the new ETS Directive 2023/959, the deadline for the surrender of quotas was moved from April 30 to September 30.

Trade receivables show a decrease of EUR 9,380 thousand compared to December 31, 2024. In particular, we note:

- higher receivables from bilateral sales (EUR 2,953 thousand) following the increase in bilateral sales revenues in December 2025 compared to December 2024;
- lower receivables from GSE (EUR 4,441 thousand) following the contraction in receivables relating to the repayment of the gas components as in 2025 no return is envisaged for the CRVos component;
- lower receivables from GME (EUR 10,065 thousand) as a result of lower revenues in the day-ahead market in the last two weeks of December 2025 compared to the same period of December 2024;
- higher receivables from Terna (EUR 12,511 thousand) relating to the monthly premiums of the last two months for the Capacity Market. In 2024, with the pooling contract in force, the contractual counterparty for Capacity Market was Sorgenia SpA and the related credit at the end of 2024 amounted to EUR 10,426 thousand.

Tax payables amounted to EUR 1,800 thousand and include the payables for IRAP determined on the estimate of the tax base for the year.

The balance of **Trade payables** fell by EUR 24,144 thousand compared to December 31, 2024.

In particular, we note:

- lower payables for energy purchases from Bilateral contracts (EUR 15,925 thousand) as a result of lower costs for energy purchases in December 2025 compared to December 2024;
 - lower payables to Terna (EUR 2,126 thousand) due to lower costs for energy purchases in the dispatching services (MSD) market in November and December 2025 compared to the last two months of 2024;
 - payables to GME are in line with those of the previous year (EUR +184 thousand);
 - payables for fuel purchase are substantially in line with those recognised as at December 31, 2024 (EUR -2,963 thousand), as the fuel cost in December 2025 is in line with that of the same period of 2024.
-

Other net current assets/(liabilities) registered an increase of EUR 25,345 thousand compared to 31 December 2024. This change derives mainly from:

- the increase in payables for CO2 rights to be delivered (EUR 72,418 thousand) for emissions for the period, partly offset by the cancellation of quotas for the year 2024
- increase in VAT credit (EUR 26,825 thousand) due to the credit accrued in the period (EUR 48,818 thousand) partly offset by the collection of the 2024 VAT credit (EUR 21,000 thousand)
- the increase in receivables for damages (EUR 12,500 thousand) following the insurance refund related to the damage of the TGB of Torrevaldaliga.

The **Provision for Risks and Charges** increased by EUR 2,939 thousand as a result of the changes as better illustrated in note no. 11.

Net invested capital therefore amounted to EUR 384,657 thousand (EUR 312,686 thousand as at December 31, 2024).

Shareholders' equity stood at a positive EUR 411,845 thousand (EUR 452,784 thousand as at 31 December 2024), and essentially changed when compared to 31 December 2024 due to the profit in the period, amounting to EUR 59,109 thousand, for the distribution of dividends amounting to EUR 100,099 thousand, as well as the net increase of EUR 50 thousand in IAS 19 and IFRS 9 reserves. For more details, please refer to note no. 9.

Net financial debt: as at December 31, 2025, there were no debt lines to be repaid, with the Revolving line of EUR 25,000 thousand remaining, completely unused. Therefore, the net financial debt coincides with the cash and cash equivalents of EUR 27,188 thousand.

The breakdown of the net financial debt as at December 31, 2025 is detailed in the following table:

(thousands of Euro)	12/31/2025	12/31/2024	Changes
A Cash at bank and in hand	10	12	(2)
B Bank deposits	27,179	140,087	(112,908)
C Securities	-	-	-
D Cash (A+B+C)	27,188	140,099	(112,911)
E Current financial debt	-	-	-
F Current portion of non-current financial debt	-	-	-
G Current financial debt (E+F)	-	-	-
H Current net financial debt (G-D)	(27,188)	(140,099)	112,911
I Non-current financial debt	-	-	-
J Debt instruments	-	-	-
K Non-current trade payables and other payables	-	-	-
L Non-current financial debt (I+J+K)	-	-	-
M TOTAL FINANCIAL DEBT (H+L)	(27,188)	(140,099)	112,911

Cash flows

(thousands of Euro)	12/31/2025	12/31/2024	Changes
Opening cash and cash equivalents	140,099	34,061	106,037
Cash Flow from operating activities	27,483	134,830	(107,347)
Cash Flow from investment activities	(40,295)	(28,793)	(11,502)
Cash Flow from financing activities	-	-	-
Distribution of dividends	(100,099)	-	(100,099)
Closing cash and cash equivalents	27,188	140,099	(112,911)

Cash flow from operating activities was positive at EUR 27,483 thousand, down by EUR 107,347 thousand compared to 2024. The improvement in financial results was more than offset by the dynamics of working capital.

Cash and cash equivalents at the beginning of the period, together with the cash flow from operating activities, allowed the hedging of investment activities (EUR 40,295 thousand) as well as the distribution of profit reserves in favour of SFP holders and Shareholders (EUR 100,099 thousand).

Net financial debt as at December 31, 2025 amounted to a positive value of EUR 27,188 thousand compared to a positive value of EUR 140,099 thousand as at December 31, 2024. The worsening is mainly attributable to the distribution of profit reserves on May 30, 2025 to SFP holders and Shareholders.

BUSINESS OUTLOOK

Business outlook

On July 25 and 26 2024, the auctions were held for the delivery year 2025 and Tirreno Power was awarded all the capacity offered, equal to 1,930 MW, at the starting auction price for the existing capacity equal to 45,000 €/MW/year.

On December 18, 2024, the auctions were held for the delivery year 2026 and Tirreno Power was awarded all the capacity offered, equal to 1,930 MW, at the starting auction price for the existing capacity equal to 46,000 €/MW/year.

On February 26 and 27 2025, the auctions were held for the delivery year 2027 and Tirreno Power was awarded all the capacity offered, equal to 1,930 MW, at the starting auction price for the existing capacity equal to 47,000 €/MW/year.

Currently, considering that:

- the Company's Shareholders' Equity, amounting to EUR 411,845 thousand taking into account the write-down carried out in 2024 (EUR 220,000 thousand) and the distribution of profit reserves to the SFP holders and Shareholders carried out in May (EUR 100,099 thousand), is considered by the directors suitable to guarantee an adequate capitalisation of the Company;
- the 2025 results are considerably better than both the previous year and the Budget forecasts, recording an EBITDA of EUR 95,665 thousand and a net profit of EUR 59,109 thousand;
- on May 30, 2025, the distribution of profit reserves to SFP holders and Shareholders was completed as required by the Articles of Association and as resolved by the Shareholders' Meeting that approved the 2024 Financial Statements;
- as at December 31, 2025, there were no debt lines to be repaid, with the Revolving line of EUR 25,000 thousand remaining, fully available.

The reasonableness of the assumptions used by the directors to draft the last approved Business Plan was confirmed, instilling confidence in them regarding the Company's ability to be able to reach the results expected also in future years, despite being fully aware that the results envisaged in the aforementioned Plan may only materialise if the assumptions contained therein are satisfied.

The Company's management has continuously monitored the financial impacts arising from the volatility of the cost of commodities and of gas in particular due to the implications on the VAT credit generated by them.

Considering the Company's financial performance in 2025 better than the expectations and results expected in the 2026 Budget approved by the Board of Directors, there are no impacts that may represent an indicator of impairment. However, in consideration of the persisting uncertainties that characterise the reference macroeconomic and regulatory framework, the directors will continue to closely monitor the evolution of operations.

Based on these assumptions, the directors reasonably expect the company to continue to operate in the foreseeable future as an operating entity, therefore, drafting these financial annual financial statements on the basis of the going concern assumption.

Evolution of the macroeconomic scenario

As reported in the Bank of Italy Economic Bulletin published in January 2026, in the third quarter of 2025, the US economy continued to grow markedly. As in the first half of the year, investments in artificial intelligence technologies have made a significant contribution, while at the same time fuelling international trade. The strength of global trade has driven economic activities in China, in a context of weak domestic demand. The OECD envisages a slight weakening of global growth in 2026, on which the downward risks associated with trade and geopolitical tensions and possible corrections to financial markets in the technological sector weigh.

As far as Eurozone GDP is concerned, last December Eurosystem experts revised the area's GDP growth projections upwards to 1.2 % in the current year and 1.4 % in the 2027-28 two-year period. Consumer inflation, which on average was at 2.1% in 2025, is projected to decline slightly in both 2026 and 2027, before rising to 2.0% in 2028.

Italy's GDP increased slightly in the third quarter, as a result of the marked increase in exports and the expansion of investment, which benefited from tax incentives and other PNRR-related measures. Household consumption grew to a limited extent, suffering from still unfavourable expectations regarding the evolution of the international economic framework. On the basis of the Bank of Italy's assessments, economic activities continued to expand moderately in the fourth quarter, driven by the services sector, especially business services, and by a recovery in industry. The outlook for manufacturing remains uncertain, including due to the intensification of Chinese competition in several sectors. The Bank of Italy's projections prepared in December foresee a product growth of 0.6 % in 2026, which would be strengthened in the two-year period 2027-28.

In the fourth quarter, inflation was at low levels in comparison with the Eurozone, due to more moderate growth in service prices and more pronounced declines in energy prices. Inflation, net of the most volatile components, has fallen to below 2%. The pressures at the origin continue to moderate. According to the Bank of Italy's projections drawn up in December, consumer inflation will fall to 1.4 % in 2026, from 1.7 % last year; it will gradually recover in the following two-year period, bringing it to values close to 2 % on average in 2028.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

No significant events occurred after the end of the year.

PROPOSALS OF THE BOARD OF DIRECTORS

Dear Shareholders,

We invite you to approve the Financial Statements as at December 31, 2025 as a whole and their individual items.

Taking into account the contents of this Management Report, as well as the provisions of article 2430 of the Italian Civil Code and the provisions of the Company's Articles of Association, it is proposed that the net profit of EUR 59,109,291 be carried forward in full insofar as the legal reserve has already reached the amount of one-fifth of the share capital.

Rome, March 4, 2026

For the Board of Directors

(Chairman)

Financial Statements Schedules

BALANCE SHEET

(Euro)	Note	Dec-31-25	Dec-31-24
Assets			
Property, plant and equipment	1	367,938,995	363,639,340
Intangible assets	2	1,376,724	981,680
Non-current financial assets	3	8,602,395	5,919,131
Deferred tax assets	4	519,961	535,624
Other non-current assets		350,073	414,702
Total non-current assets		378,788,149	371,490,478
Inventories	5	150,020,721	70,930,426
Trade receivables	6	64,762,877	74,142,584
Other current assets	7	77,470,156	30,769,994
Other current financial assets		1,390,130	690,263
Cash and cash equivalents	8	27,188,053	140,098,643
Total current assets		320,831,936	316,631,910
Total assets		699,620,085	688,122,387
Liabilities and Shareholders' Equity			
Share capital		60,516,142	60,516,142
Other reserves		136,394,728	136,345,130
Accrued gains (losses)		155,824,418	466,436,361
Profit (loss) for the period		59,109,291	(210,513,300)
Shareholders' equity	9	411,844,579	452,784,333
Provisions for risks and charges	10	61,817,529	56,104,717
Post-employment and other employee benefits	11	3,605,970	3,664,797
Deferred tax liabilities	12	14,632,797	15,434,272
Other non-current financial liabilities	13	482,797	525,128
Total non-current liabilities		80,539,093	75,728,914
Payables for loans		-	-
Provisions for risks and charges	10	2,671,002	5,445,301
Trade payables	14	61,111,311	85,255,136
Payables for income taxes	15	1,800,000	-
Other current liabilities	16	141,142,657	68,251,066
Other short-term financial liabilities	13	511,442	657,637
Total current liabilities		207,236,413	159,609,140
Total shareholders' equity and liabilities		699,620,085	688,122,387

INCOME STATEMENT

(Euro)	Note	Dec-31-25	Dec-31-24
Revenues	17	870,580,506	653,037,756
Other revenues	18	14,735,603	2,746,804
Total revenues		885,316,109	655,784,560
Own work capitalised	19	831,488	628,379
Consumption of raw materials	20	(602,654,333)	(480,540,520)
Personnel costs	21	(22,348,348)	(21,643,431)
Service costs	22	(20,820,819)	(25,109,982)
Other operating costs	23	(144,659,383)	(72,926,400)
Amortisation, depreciation and write-downs	24	(33,666,513)	(277,728,126)
Operating profit/loss		61,998,202	(221,535,520)
Financial expenses	25	(3,782,175)	(3,845,322)
Financial income	26	1,891,790	7,124,261
Pre-tax profit/loss		60,107,816	(218,256,581)
Taxes	27	(998,525)	7,743,281
Net profit/loss		59,109,291	(210,513,300)
Earnings per share - basic and diluted	28	0.98	-3.48

STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

(Euro)	Note	Dec-31-25	Dec-31-24
Net profit/loss for the period		59,109,291	(210,513,300)
Other components of comprehensive income:			
Change in fair value IAS 19 - Post-employment and other BENEFITS	11	49,598	(34,222)
Total other components of comprehensive income		49,598	(34,222)
Total comprehensive income		59,158,889	(210,547,522)

STATEMENT OF CASH FLOWS

(Euro)	Dec-31-25	Dec-31-24
OPERATING ACTIVITIES		
Net profit/loss for the period	59,109,291	(210,513,300)
Amortisation, depreciation and write-downs	33,666,513	277,728,126
Net provisions for deferred taxes and other provisions	2,078,211	(14,673,242)
Increase (decrease) in IAS 39, IAS 19, Interest Rate CAP reserves	49,598	(34,223)
Other changes	1,933,788	(35,473)
Change in other non-current assets and liabilities	(2,645,303)	6,070,579
Change in other current assets and liabilities	(66,709,046)	76,287,966
Cash flow from operating activities	27,483,053	134,830,433
of which:		
- <i>Interest income collected</i>	125,077	1,956,156
- <i>Interest expenses paid</i>	(1,186,485)	(1,346,138)
- <i>Income taxes paid</i>		-
INVESTMENT ACTIVITIES		
Investments in tangible assets	(39,162,000)	(28,340,000)
Investments in intangible assets	(1,133,000)	(453,000)
Cash flow from investment activities	(40,295,000)	(28,793,000)
FINANCING ACTIVITIES		
Increase in share capital	-	-
Increase (decrease) in payables for non-current loans	-	-
Increase (decrease) in payables for current loans	-	-
Changes in other short-term financial liabilities	-	-
Cash flow from financing activities	-	-
Reimbursement of Participating Financial instruments	(85,779,173)	-
Remuneration of Participating Financial instruments	(11,375,470)	-
Remuneration of Shareholders	(2,944,000)	-
Dividends paid	(100,098,643)	-
Increase (decrease) in cash and cash equivalents	(112,910,590)	106,037,433
Opening cash and cash equivalents	140,098,643	34,061,210
Closing cash and cash equivalents	27,188,053	140,098,643

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Euro)	Note	Share capital (a)	Other reserves (b)	Accrued gains (losses) (c)	Profit (loss) for the period (d)	Total (a+b+c+d)=e
Balance as at January 1, 2024		60,516,142	136,379,352	458,812,504	7,623,858	663,331,856
Allocation of profit for 2023				7,623,858	(7,623,858)	-
<i>Comprehensive profit/loss as at December 31, 2024</i>			(34,222)			(34,222)
<i>of which:</i>						
<i>Profit/loss booked directly to shareholders' equity</i>	9		(34,222)			(34,222)
<i>Profit/loss as at December 31, 2024</i>					(210,513,300)	(210,513,300)
Balance as at December 31, 2024		60,516,142	136,345,130	466,436,362	(210,513,300)	452,784,334
Balance as at January 1, 2025		60,516,142	136,345,130	466,436,362	(210,513,300)	452,784,334
Hedging of 2024 loss				(210,513,300)	210,513,300	-
Cumulative profit reserve distribution				(100,098,643)		(100,098,643)
<i>Comprehensive Profit/Loss as at December 31, 2025</i>			49,598			49,598
<i>of which:</i>						
<i>Profit/loss booked directly to shareholders' equity</i>	9		49,598			49,598
<i>Profit/Loss as at December 31, 2025</i>					59,109,291	59,109,291
Balance as at December 31, 2025		60,516,142	136,394,728	155,824,418	59,109,291	411,844,579

Explanatory Notes

DECLARATION OF CONFORMITY

These Financial Statements are prepared in accordance with IFRS International Accounting Standards issued by the 'International Accounting Standards Board (IASB) and provide complete information on the basis of IAS 1.

IFRS means all the "International Financial Reporting Standards", all International Accounting Standards ("IAS"), all of the interpretations of the International Financial Reporting Standards Committee ("IFRIC"), all the interpretations of the Standing Interpretations Committee ("SIC"), adopted today by the European Union and contained in the EU Regulations published on G.U.C.E. (Official Journal of the European Union) up to today's date, in which the Board of Directors of Tirreno Power S.p.A. prepared these Financial Statements. Lastly, still on the subject of interpretation, account was also taken of the documents on IAS / IFRS in Italy prepared by the Italian Accounting Board (OIC).

STRUCTURE AND CONTENT OF FINANCIAL STATEMENTS

These Financial Statements consist of the Balance Sheet, Income Statement, Statement of Comprehensive Income/Loss recorded in the period, Statement of Cash Flows, Statement of Changes in Shareholders' Equity, as well as the Explanatory Notes and are drafted on the basis of the going concern assumption, based on the indications of the paragraph "Business outlook".

As for the Financial Statements that the Company has chosen to adopt it should be noted:

- in the "Balance Sheet" assets and liabilities are sorted by due date, separating current and non-current items by expiry, respectively, within or after 12 months;
- the "Income Statement" is presented in a scalar form by nature;
- the "Cash Flow Statement" is prepared using the indirect method, as allowed by IAS 7;
- the "Statement of Comprehensive Income/Loss" is prepared separately in accordance with IAS 1 Revised.
- the "Statement of Changes in Shareholders' Equity" is prepared in accordance with IAS 1 Revised.

The functional currency used for the presentation of financial statements is the euro and all amounts are expressed in thousands of Euro unless indicated otherwise. For disclosure purposes, the values are reported without decimals.

This document is subject to auditing by the Independent Auditors *EYS.p.A.*, a company which was also entrusted with the legal auditing of accounts.

ACCOUNTING POLICIES AND VALUATION CRITERIA

The accounting policies and valuation criteria adopted are summarised below. The valuation criteria are adopted on a going concern basis and comply with the principles of accrual accounting, relevance and materiality of accounting information and the prevalence of economic substance over legal form.

The general principle used in preparing these financial statements is the cost method with the exception of any derivatives for which IFRS 9 requires the fair value measurement.

Current/non-current classification

Assets and liabilities are classified in these financial statements according to the current/non-current criterion.

An asset is current when:

- it is expected to be realised, or held for sale or consumption, during the normal course of the operating cycle;
- it is held primarily for trading purposes;
- it is expected to be realised within twelve months of the date of year-end; or
- it is composed of cash or cash equivalents unless it is prohibited to exchange or use it to extinguish a liability for at least twelve months from the date of year-end.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be extinguished during its normal operating cycle;
- it is held primarily for trading purposes;
- it must be extinguished within twelve months of the date of year-end; or
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months from the date of year-end.

All other liabilities are classified as non-current.

Discretionary valuations and significant accounting estimates

The application of generally accepted accounting standards for the preparation of the financial statements entails that the Company's management makes accounting estimates based on complex and/or subjective judgements, on past experience and on assumptions considered reasonable and realistic on the basis of the information known at the time of the estimate. The use of these accounting estimates affects the carrying amount of assets and liabilities, as well as the disclosure on contingent assets and liabilities at the reporting date, as well as the amount of revenues and costs in the reference period. The actual results may differ from those estimated, due to the uncertainty that characterises the assumptions and the conditions that generate the estimates. The main accounting estimates included in

the process of preparing the financial statements, which involve the use of subjective judgements, assumptions and estimates on issues that are uncertain by their nature, are indicated below.

1. Recoverability of non-financial assets

Assets such as property, plant and equipment, intangible assets, assets consisting of the right of use of an underlying asset are subject to impairment when their book value exceeds the recoverable value, represented by the higher of the fair value, net of costs of disposal, and the value in use.

These recoverability tests are carried out according to the criteria envisaged by IAS 36 and described in more detail in the following Note “Property, plant and equipment”.

In determining the recoverable amount, the Company generally applies the value in use criterion. Value in use is the present value of future cash flows that are expected to originate from the asset being measured, discounted using a discount rate, gross of taxes, which reflects current market valuations of the time value of cash and the specific risks of the business.

The expected future cash flows are prepared on the basis of the most recent approved business plans and information available at the time of the estimate; therefore, the assumptions used in estimating the cash flows are based on the management’s judgement with particular reference to the performance of future variables indicated in the “Business outlook” section and in note no. 1.

2. Disputes

The Company is a party to some legal disputes relating mainly to labour, the operation of some production plants, environmental damages, and criminal disputes. Given the nature of these disputes, it is not always objectively possible to predict their final outcome, some of which could be concluded with an unfavourable outcome.

Provisions were set up to cover all significant liabilities for cases in which the Company, also supported by legal advisors, has assessed an unfavourable outcome as probable and a reasonable estimate of the amount of the loss can be made.

3. Provisions for risks and charges

Provisions for risks are made on the basis of expectations of events whose effects, on the basis of the information available and the support of the consultants, are estimated as probable.

4. Deferred tax assets

The financial statements include deferred tax assets, related to income components with deferred tax deductibility, for an amount whose recovery in future years is considered highly probable by the Directors.

The recoverability of the above-mentioned deferred tax assets is subject to the achievement of future taxable profits that are sufficiently large enough to attain the benefits deriving from the deferred tax assets.

Significant judgments of management are required to determine the amount of deferred tax assets that can be recognised in the financial statements, based on the timing and amount of future taxable income as well as future tax planning strategies and tax rates in force at the time of their transfer.

Estimates and assumptions are reviewed periodically and the effects of each change are simultaneously recognised in the income statement.

Translation of foreign currency items

The functional and presentation currency is the Euro.

Foreign currency transactions are recorded at the exchange rate prevailing at the transaction date. Monetary assets and liabilities in currencies other than the functional currency are subsequently adjusted at the exchange rate prevailing at the balance sheet date. Exchange differences arising from the conversion operations are reflected in the income statement and recorded under financial income and expenses. Non-monetary assets and liabilities denominated in foreign currencies and valued at cost are translated at the exchange rate prevailing at the date of initial transaction.

Tangible assets

Property, plant and equipment are stated at acquisition or production cost, less accumulated depreciation and any accumulated impairment losses. The cost includes expenditure directly incurred to prepare the assets for use, as well as any charges for dismantling and removal (as provided by IAS 37), recorded at the present value of the future expense which is estimated will be incurred. The cost also includes any interest paid on the purchase or construction of property, plant and equipment incurred to bring these into operation.

They also include the costs relating to spare parts considered strategic for guaranteeing plant productive activities.

Depreciation commences when the asset is available for use and is recognised systematically over the remaining useful life of the same, i.e. on the basis of the estimated useful life.

The useful life of property, plant and equipment and their residual value are reviewed and adjusted if appropriate, at least at the end of each year. The presumed realisable value which is deemed recoverable at the end of its useful life, if determined, is not depreciated.

Where the asset subject to depreciation is composed of separately identifiable elements whose useful life differs significantly from that of the other parts that make up the asset, depreciation is calculated separately for each of these parts, in application of the component approach.

Ordinary maintenance costs are fully expensed in the year they are incurred.

The costs incurred for maintenance carried out at regular intervals (known as Major Inspections) are recorded as assets in the balance sheet and are depreciated on the basis of the intervention cycle, as planned by management.

The depreciation of assets that can be transferred free of charge outside the scope of IFRIC 12 is calculated on a straight-line basis over the shorter of the residual duration of the concession, and the estimated useful life of the same, with the exception of exemptions regarding investments in accordance with the provisions of the current legislation.

Land, whether free of constructions or annexed to civil and industrial buildings is not depreciated as it has an unlimited useful life.

The estimated useful lives of property, plant and equipment is as follows:

Buildings	25/40 years
Equipment; steam generator; mech. mach.; hydraulic works	20 years
Combined cycle plants	30 years
Maintenance	from 2 to 8 years
Electronic calculators; office machines; IT equipment	5 years
Transport lines	35 years
Penstocks	50 years
Long distance transmission systems and industrial equipment	10 years

The book value of an element of property, plant and equipment and each significant component initially recognised is eliminated at the moment of disposal (i.e. as at the date on which the purchaser acquires control of it) or when no future economic benefit is expected from its use or disposal. The profit/loss that emerges at the moment of the derecognition of the asset (calculated as the difference between the net book value of the asset and the consideration received) is booked to the income statement when the element is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are revised at the close of the year and, where appropriate, corrected prospectively.

In the event of signs of deterioration, tangible fixed assets are subject to a recoverability test (so-called "impairment test") which is illustrated in the following paragraph "Impairment of Assets". At the same time, the restoration of an asset previously written down as a contra-item in the income statement is also booked to the income statement.

Intangible assets

Intangible assets are composed of non-monetary, identifiable elements without physical substance, controllable and capable of generating future economic benefits. They are carried at cost of purchase and/or production cost, including directly attributable costs of preparing the asset for use, net of accumulated amortisation, in cases where there is an amortisation process, and any impairment. Depreciation commences when the asset is available for use and is recognised systematically over the remaining useful life of the same, i.e. on the basis of the estimated useful life.

Research costs are expensed in the year they accrue. Development costs are capitalised if the cost can be measured reliably and it is shown that the asset is able to generate future economic benefits.

Impairment of assets

As at each balance sheet date, property, plant and equipment and intangible assets with indefinite lives are tested in order to establish whether there are indicators of impairment. When the presence of these indicators is identified, the recoverable amount of the assets is estimated and any impairment loss recognised in the income statement. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, where the latter is the present value of estimated future cash flows of the asset. In determining the value in use, expected future cash flows are discounted with a discount rate that reflects the assessment of the cost of money for the company, in relation to the investment period and the specific risks of the asset. An impairment loss is recognised in the income statement when the asset's carrying amount exceeds its recoverable amount.

For tangible and intangible fixed assets, should the reasons for a write-down effected previously no longer exist, the carrying value is reinstated by an entry in the income statement, in accordance with the limits of the net book value that the asset would have had if it had not been written down and amortisation/depreciation had been charged.

Inventories

Raw materials, consumables and supplies are valued at purchase cost determined using the weighted average method and are not written down below cost given held to be used in the production process.

The purchase cost is determined for the reference period, in respect of each inventory item. The weighted average cost includes the relevant accessory charges relating to purchases in the period.

With regard to the so-called emission rights, as from January 1, 2020 Tirreno Power decided to privilege a classification of the rights purchased to meet its own needs (so-called own use), among the inventories of the current assets.

Financial instruments

Financial instruments include financial assets and liabilities whose classification is determined at the time of their initial recognition, depending on the purpose for which they were purchased. Purchases and sales of financial instruments are recognised on the trade date.

The financial instruments include not only investments available for sale, but other non-current financial assets, receivables and non-current loans, trade receivables, other receivables originated by the enterprise as well as other current financial assets such as cash and equivalents or bank deposits and financial receivables due within three months. Financial payables, trade payables, other payables and other financial liabilities and derivative instruments also fall under financial instruments.

All assets and liabilities for which the fair value measured or stated in the financial statements are categorised on the basis of the fair value hierarchy, as described below:

- Level 1 - prices listed (not adjusted) in active markets for identical assets or liabilities which the company can access at the measurement date;
- Level 2 - inputs other than prices listed in Level 1, observable directly or indirectly for the asset or for the liability;
- Level 3 - valuation techniques for which the input data are not observable for the asset or the liability.

The fair value measurement is classified entirely to the same level of the fair value hierarchy in which the input of the lowest level of the hierarchy used for the measurement is classified.

It should be noted that no changes were verified in the levels of the fair value hierarchy used for the purposes of measuring the financial instruments with respect to the last financial statements.

For assets and liabilities booked to the financial statements at fair value on a recurring basis, the company determines whether transfers between levels of the hierarchy have taken place.

Their initial assessment takes into account the transaction costs directly attributable to the acquisition or the issue costs that are included in the initial measurement of financial instruments. The fair value of instruments listed on public markets is determined with reference to quoted prices (bid price) as at the balance sheet date. The fair value of unlisted instruments, including those related to electricity, is instead measured with reference to the financial valuation techniques or using major financial counterparties. In particular, the fair value of interest rate swaps is measured by discounting the expected cash flows, the fair value of foreign exchange forwards is determined on the basis of market exchange rates at the balance sheet date and the rate differentials between the relevant currencies, while the fair values of derivatives related to commodities are calculated using models based on industry best practices.

In general, in applying those models, market data are used rather than internal company data.

Trade receivables

Trade receivables, which accrue within the normal commercial terms, are not discounted and are recognised at cost (identified by their nominal value) net of related impairment losses.

The management verified that the fair value of the trade receivables and trade payables, as well as of the cash and cash equivalents and short-term deposits and other current liabilities approximates the book value as a result of the short-term maturities of these instruments.

Cash and cash equivalents

Cash and cash equivalents include cash, i.e. assets that meet the requirements of availability on demand or at short notice, successful outcome and absence of collection expenses and are measured at fair value. For the purposes of representation in the cash flow statement, the cash and cash equivalents are represented by the liquid funds defined above.

Cancellation (derecognition) of financial assets

Financial assets are derecognised from the balance sheet when the rights to receive cash flows from the instrument expires and the entity has transferred substantially all the risks and rewards relating to the instrument and the relative control.

Trade payables

The trade payables, which accrue within the normal commercial terms, are not discounted and are recognised at cost (identified by their nominal value).

Financial liabilities

Financial liabilities, including borrowings and other payment obligations are initially recognised at cost corresponding to the fair value of the liability net of costs incurred to secure loans (transaction costs). Following initial recognition, financial liabilities are measured at amortised cost using the effective interest rate. Net financial charges are consequently restated on the basis of the effective interest rate method.

If there is a change in expected cash flows and the possibility exists to reliably estimate the value of the loans is recalculated to reflect this change on the basis of the present value of expected future cash flows and the internal rate of return originally determined. Financial liabilities are classified as current liabilities unless the entity has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or fulfilled. Where an existing financial liability is replaced by another of the same lender, under substantially different conditions, or the conditions of an existing liability are substantially modified, this exchange or modification is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences in the book values posted to the income statement.

Derivative financial instruments

The Company uses derivative financial instruments including: interest rate swaps and forward commodity purchase contracts to hedge interest rates and commodity price risks respectively. These derivative financial instruments are initially recognised at fair value on the date in which the derivative contract is signed and, periodically, updated at each reporting date. Derivatives are accounted for as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. For hedge accounting purposes, there are three types of hedge:

- fair value hedge in the event of hedging of the exposure to changes in the fair value of the asset or liability recognised or unrecognised irrevocable commitment;
- cash flow hedge in the case of hedging of exposure to changes in cash flows attributable to a particular risk associated with all assets or liabilities recognised or a highly probable forecast transaction or foreign currency risk on an unrecognised firm commitment;
- hedge of a net investment in a foreign operation.

At the start of a hedging transaction, the company designates and formally documents the hedging relationship, to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.

The documentation includes the identification of the hedging instrument, the hedged element, the nature of the risk and the methods the company will use to evaluate whether the hedging relationship satisfies the hedge effectiveness requirements (including an analysis of the sources of hedge ineffectiveness and the way in which the hedging relationship is determined).

The hedging relationship satisfies the hedge accounting eligibility criteria if it meets all the following hedge effectiveness requirements:

- there is an economic relationship between the hedged element and the hedging instrument;
- the effect of the credit risk does not dominate the changes in value resulting from the aforementioned economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The transactions that satisfy all the criteria to qualify for hedge accounting are accounted for as follows:

(i) Fair value hedges

The fair value change in hedging derivatives is recognised under other costs in the statement of profit/(loss) for the year. The fair value change in the hedged element attributable to the hedged risk is recorded as part of the carrying value of the hedged element and it is also recognised under other costs in the statement of profit/(loss) for the year.

As regards fair value hedges relating to elements accounted for using the amortised cost method, each adjustment of the carrying value is amortised in the statement of profit/(loss) for the year over the residual period of the hedge, using the effective interest rate method. Amortisation determined in this way may start as soon as adjustment exists but cannot extend beyond the date in which the element subject to hedging ceases to be adjusted due to the fair value changes attributable to the risk subject to hedging.

If the hedged element is cancelled, the fair value not amortised is recognised immediately in the statement of profit/(loss) for the year.

When an unrecognised firm commitment is designated as an element subject to hedging, subsequent cumulated changes in its fair value attributable to the hedged risk are accounted for as assets or liabilities and the corresponding profits or losses booked to the statement of profit/(loss) for the year.

(ii) Cash flow hedge

The portion of the profit or loss on the hedged instrument, relating to the effective part of the hedge, is recognised in the statement of comprehensive income, under the “cash flow hedge” reserve, while the ineffective part is booked directly to the statement of profit/(loss) for the year. The cash flow hedge reserve is adjusted to the lower of the cumulated profit or loss on the hedging instrument and the cumulated variation in the fair value of the hedged element.

The Company only designates the spot component (intrinsic) of forward contracts as hedging instrument. The forward component (time) is cumulatively recognised in a separate item of the statement of other comprehensive income (OCI).

The amounts accumulated under other comprehensive income are accounted for depending on the nature of the underlying hedged transaction. If the transaction subject to hedging subsequently involves the recognition of a non-financial component, the amount accumulated under shareholders' equity is removed from the separate component of shareholders' equity and included in the cost value or other book value of the hedged asset or liability. This is not considered a reclassification of the items recognised in other comprehensive income for the period. This also applies in the event of a planned hedge of a non-financial asset or non-financial liability that subsequently becomes a firm commitment to which the accounting of fair value hedging transactions is applied.

For any other cash flow hedge, the cumulated amount in other comprehensive income is reclassified to the income statement as a reclassification adjustment in the same period or in periods during which the hedged cash flows impact the income statement.

If the accounting of the cash flow hedge is suspended, the cumulated amount in other comprehensive income must remain as such if the future hedged cash flows are expected to materialise. Otherwise, the amount must be reclassified immediately to profit/(loss) for the year as a reclassification adjustment. After the suspension, once the hedged cash flow is verified, any accumulated amount remaining in other comprehensive income must be accounted for depending on the nature of the underlying transaction as described previously.

Embedded derivatives

Embedded derivatives included in other financial instruments or in other contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the latter are not stated at fair value with recognition of gains and losses in the income statement. The Company verifies the existence of any embedded derivatives, analysing the facts and circumstances which could have originated them, including, for example, any contracts regarding the receipt or sale of “non-monetary” assets according to specific company purchase, use or sale requirements.

Employee Benefits

The short-term benefits are recognised in the income statement in the period in which the working activity is performed.

It is noted that, in connection with the pension reform of 2007, the provision for Post-employment benefits was restated, by adopting the new methodological approach, or considering that the amounts accrued as of January 1, 2007 are a defined contribution benefit and, therefore, not included in the calculation of liabilities. Where the provision accrued as at December 31, 2006 is treated as a defined benefit plan, the benefits granted to employees are recognised over the vesting period, as well as other long-term benefits (Additional months' salaries, Tariff Incentives and Loyalty Bonuses).

The cost of providing benefits under the various plans is determined separately for each plan, using actuarial assumptions to estimate the amount of future benefits that employees have accrued as at the reporting date.

The valuation of the liabilities in question is determined on the basis of independent actuarial assumptions. Gains and losses resulting from actuarial calculations are recognised in the income statement.

For defined contribution plans, contributions are only recorded when the employees have carried out their activities and therefore those contributions are accrued. In the latter case Tirreno Power pays fixed contributions into a separate entity (e.g. a Fund) and will have no legal or constructive obligation to pay further contributions if the fund is not solvent.

Provisions for risks and charges

Provisions are recorded to cover losses and charges of a specific nature, certain or probable, in respect of which, however, the amount and/or date of occurrence cannot be determined. If the date of occurrence is uncertain, the provisions are classified under current liabilities.

Provisions for risks and charges are recognised when, as at the reporting date, in the presence of a present obligation (legal or constructive) to third parties arising from a past event, it is likely that, to fulfil the obligation, an outflow of resources whose amount can be estimated reliably will be required.

When the financial effect of time is significant, the provision is discounted using a yield curve that reflects the time value of money expressed by the market and the risks associated with the liability.

If the provision is estimated taking into account the discounting process, the increase in provisions, due to the passage of time is recognised in the income statement as a financial charge. If the liability relates to tangible assets (e.g. dismantling and restoration of sites), the provision is recorded against the asset to which it relates; the expense is recognised in the income statement through the depreciation of the tangible asset to which the expense relates, as well as through the measurement of the financial expenses of the revaluation of the liability.

The estimate of the costs of future dismantling and remediation works is reviewed annually. Changes in the estimates of future costs or the discount rate applied increase or decrease the cost of the asset if they refer to the portion of the asset that will depreciate in subsequent periods.

The allocation of restructuring expenses takes place when the general criteria for allocation of a provision are respected. The Company has an implicit obligation when a detailed and formalised plan identifies the business unit concerned, the location and number of employees forming the object of the restructuring, the detailed estimate of costs and the implementation timescales. In addition, the personnel concerned must be informed of the main characteristics of the restructuring plan.

Revenue recognition

Revenue is recognised to the extent that it is possible to reliably determine its value (fair value) and it is probable that the associated economic benefits will be enjoyed by taking into account any discounts and reductions linked to quantities.

The company recognises revenues in order to faithfully represent the transfer of goods and services promised to customers, for an amount that reflects the consideration the company expects to be entitled to in exchange for the goods and services supplied. The recognition takes place through the application of this key principle and the use of the 5-step model provided by IFRS 15.

Revenues related to the sale of electricity are recognised at the time of delivery of supply, even if not invoiced, based on the actual sales prices on the Power Exchange or the conditions set forth contractually, taking into account the existing legislation.

Other revenues are determined according to the terms and conditions which take account of the risks and benefits transferred.

Recognition of costs

Costs are recognised in the income statement when incurred or in the periods in which the related revenues are recorded and, in general, in accordance with the accrual principle. Costs that cannot be associated with revenues are immediately recognised in the income statement. For the criteria for recognition and measurement of specific costs, the Company considers their nature and the reference accounting legislation.

Financial income and expenses

The financial income and expenses are recognised according to the accrual method, based on the interest accrued on the amount of the related financial assets and liabilities using the effective interest rate.

Government grants

Government grants, in the presence of a formal resolution by the disbursing entity, are recognised on an accruals basis in direct correlation with the costs incurred. In particular, the operating grants are classified to the item "Other revenues" in the income statement, while public capital grants that relate to property, plant and equipment are recorded as deferred revenue in balance sheet liabilities. The deferred income is recognised in the income statement as income on a straight-line basis over the useful life of the asset to which it directly relates.

Income taxes

Current income taxes for the year are recognised as tax payables and calculated based on the estimated taxable income determined in accordance with the provisions in force as at the reporting date.

Deferred tax assets and liabilities are calculated on temporary differences between the carrying amounts and the corresponding amounts recognised for tax purposes applying tax rates that are expected to apply in the period when the asset is realised or the liability settled.

Deferred tax liabilities are recognised without exception for all taxable temporary differences. Deferred tax assets are recognised only if it is considered probable that, within a reasonable period of time, a sufficient amount of taxable income will emerge to absorb the deductible temporary differences and any IRES losses underlying said deferred taxes.

Current and deferred taxes are recognised in the income statement, except those relating to items charged or credited directly to shareholders' equity; in which case, the tax effect is recognised as a separate item in shareholders' equity.

New accounting standards, interpretations and amendments adopted by the Company

The following new standards and amendments are effective from January 1, 2025:

Amendments to IAS 21 (Lack of Exchangeability)

It introduces specific rules to estimate the exchange rate which reflects market conditions, when one currency is not freely convertible into another, ensuring consistent accounting and better disclosure.

It is the only mandatory change for years beginning on January 1, 2025 and had no impact on the Company's financial statements.

TYPE OF RISKS AND MANAGEMENT OF HEDGING ACTIVITIES

Risk management is an integral and fundamental part of the strategies of every organisation and the process through which companies tackle the risks connected with their activities, with the objective of obtaining long-lasting benefits.

The basis of good risk management consists of identifying and dealing with risks in order to allow an understanding of the potential positive and negative aspects of all factors that can influence the organisation. Risk management, a continuous and gradual process that involves the entire organisation strategy and its implementation, must be engrained in the company culture through an effective policy and a project managed by the company's top management, in order to turn the strategy into objectives and assign responsibilities at all levels of the organisation, making every person responsible for risk management.

For Tirreno Power S.p.A., in general, risk-taking is limited, in nature and extent, to those which, according to principles of sound and prudent management, are the risks considered ordinary. The "Risk Management Manual" sets out, on the one hand, the general principles for managing the Company's main risks, consistently with the strategic objectives identified and, on the other, the methods of coordination between the entities involved in order to maximise the effectiveness and efficiency of the Internal Control and Risk Management System.

The Manual sets forth that the General Manager, as the company's Risk Owner, has the responsibility and ownership for the management of company risks, with the exclusion of "Environmental risk" and "Health and safety risk" for which the responsibility falls to the "Employer" of the various Organisational Units. The Risk Owner and the Employer are supported by Management in identifying and assessing risks, as well as defining the risk management policies.

The Company distinguishes two risk macro-categories: **Financial and Market Risks** and **Other Risks**. Financial and Market Risks mean those deriving from the impact they could have on margins and expected cash flows and, more specifically: future fluctuations in one or more specific interest rate or exchange rates, financial instruments, prices of energy and raw materials, prices of CO₂ emission rights. Other types of risk that are also associable to the category of financial risks, and in particular credit and liquidity risk, are dealt with separately.

Financial and Market Risks include **Market Risk**, **Interest Rate Risk** and **Exchange Rate Risk**. By contrast, Other Risks include the following sub-categories: **Counterparty Risk**, **Liquidity Risk**, **Environmental Risk**, **Legal Risk**, **Legislative/Regulatory Risk**, **Image Risk** and **Health and safety risk**.

The different types of risk are monitored in order to assess early the potential adverse effects and take the appropriate actions to mitigate them. The optimisation and the reduction of the level of risk is pursued through an adequate organisational structure, the adoption of rules and procedures, the implementation of certain trade and procurement policies, the use of insurance coverage and hedging derivative financial instruments.

For the monitoring and management of Financial and Market Risks, the Risk Owner is supported by the Risk Committee, with advisory functions in relation to the risk management process. The Committee, composed not only of the General Manager, the Head of Management and Production Manager and the Chief Financial Officer meets once a month and is responsible for supporting the Risk Owner in analysing and preparing the necessary documentation for implementing the hedging strategies, as well as proposing the “Hedging Policy” and the quarterly updates to be submitted to the BoD for approval. We focus below on the risks, from those listed, with the biggest impact for the Company.

Market risk

Market risk is the risk that the value of a financial instrument, as defined by IAS 32, will fluctuate because of changes in market prices or exchange rates.

Owing to the nature of its business, the Company is exposed to changes in the prices of electricity, fuel and environmental costs (CO₂ emission rights) that can significantly influence the financial results.

To mitigate this exposure, it has developed a strategy of stabilising margins by means of the early negotiation of fuel supply. Through formulas or indexing, the company pursues, as far as possible, a policy of standardisation between sources and physical uses.

The Company has also implemented a formal procedure that provides for the measurement of the residual price/commodity risk and the implementation of hedging operations. Hedging transactions may have the objective of stabilising the margin on an individual transaction or a group of similar transactions, or to limit overall exposure to price risk. Tirreno Power does not adopt speculative positions in financial instruments.

Interest rate risk on cash flows

The exposure to the risk of changes in the Company's interest rate is linked primarily to the financial debt, which, even if now to a lesser extent, is at floating rate. The Company, taking into account the contractual obligations, regularly assesses its exposure to the risk of changes in interest rates and manages these risks through the use of non-speculative derivative financial instruments.

Counterparty risk

Counterparty risk, or more commonly known as credit risk, represents the Company's exposure to potential losses arising from the default of a counterparty.

Credit risk is the risk that a counterparty will not fulfil its obligations linked to a financial instrument or a commercial contract, therefore leading to a financial loss. The company is exposed to credit risk deriving from its operating activities (especially for trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Credit risk is limited due to the characteristics and the creditworthiness of the customers served. The portfolio of accounts receivable is constantly monitored by the relevant departments. Tirreno Power also pays particular attention to the selection of prime counterparties (both commercial and financial), the evaluation of supplier references in terms of the customers served and respect for supply/service obligations, in the definition of contractual penalties in cases where the non-fulfilment of the obligation by the third party may have economic consequences for the company in the issue and request for guarantees, especially financial, for entering into derivative contracts according to ISDA standards.

As for the payment terms applied by most customers, deadlines are mostly concentrated within thirty or sixty days from billing, normally monthly, and is carried out within the month following the month of the supply.

The monitoring and analysis of counterparty risk is entrusted to the Internal Credit Risk Committee, composed of the Risk Committee (mentioned above), with the addition of the Head of Legal and Corporate Affairs, which evaluates existing exposures on a monthly basis per individual counterparty and resolves on credit facilities. The main monitoring tool used is the weekly statement of exposure for each individual counterparty, also containing alert mechanisms when given exposure thresholds of attention are reached.

As at the date of these financial statements, the credit risk is reduced as the trade receivables relate to counterparties with high credit standing.

Liquidity risk

The liquidity risk is related to the possibility that the Company finds itself in a situation of difficulty in meeting the financial obligations arising from contractual commitments and, more generally, from its financial liabilities.

The following table summarises the contractual expiry date for the financial and trade assets and liabilities as at the date of these Financial Statements.

Expiry of financial assets and liabilities (Euro thousands)	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Cash and cash equivalents	27,188				27,188
Derivative financial instruments	-				-
Trade receivables and other assets	143,623	350	8,602		152,576
Total Financial assets	170,811	350	8,602	-	179,764
Financial payables	511		483		994
Trade payables and other liabilities	204,054				204,054
Derivative financial instruments	-				-
Total Financial liabilities	204,565	-	483	-	205,048
Total net exposure	(33,754)	350	8,120	-	(25,285)

Legal risk

This is the risk of the Company suffering negative repercussions from violations of laws or regulations and contractual and non-contractual liability.

Through the Legal and Corporate Affairs Department, the company monitors the risks identified through:

- verification of compliance with the regulatory provisions;
- an analysis of the legal documents and contracts, by verifying, in particular, the clauses of acceptance of the Code of Ethics and of the Organisational and Management Model pursuant to Italian Legislative Decree no. 231/01;
- monitoring of the contractual standards in use.

In the event of the signing of international contracts, the Legal and Corporate Affairs Department verifies that they are consistent with the frameworks set forth in international conventions or approved by international trade associations.

Legislative/Regulatory risk

This risk identifies the eventuality that the Company may suffer negative consequences, in economic or capital terms, or which damage its reputation, as a result of the issuing of primary legislation or resolutions of the regulatory authorities. For the analysis of legislative and regulatory risk, and the monitoring of the activities impacted, Tirreno Power has, through the following functions, implemented the following instruments:

- Institutional and Regulatory Affairs Work Group – The work group meets monthly and the General Manager and Heads of the main functions exposed to risk (Energy Management, Financial and Production) take part. In this context, on the basis of a document prepared by the Regulatory, Institutional and Communication Affairs O.U., all the main regulatory and

legislative events, which could have an impact on Tirreno Power are discussed and any actions to be taken are evaluated (if necessary, also through the launch of specific studies, also assigned to specialist advisors). A closer coordination was activated between the Energy Management Department and the Regulatory, Institutional and Communication Affairs O.U., which periodically meet to discuss matters of reciprocal interest. On emerging regulatory issues (see capacity market, TIDE, etc.), specific workshops are held for the functions affected.

- **Regulatory Dashboard** – Every four months, the Regulatory, Institutional and Communication Affairs O.U. prepares a document that summarises all the regulatory and legislative issues that, during the reference period, have determined potential impacts for the Company. The document is published on the company intranet and made accessible to all employees. In addition, a weekly newsletter, circulated via e-mail to all personnel, reports a review of the specialised press on regulatory, institutional and market issues.
- **Association activities** – Tirreno Power participates in some trade associations (for example, Energia Libera, Unione Industriali di Savona, Unindustria Lazio), with the objective of monitoring the legislative-regulatory framework, promoting the relationship and the exchanging of information with the institutions, and promoting and participating in initiatives to protect the company's position.

Image risk

Image risk is the risk of the Company suffering negative repercussions on its reputation, with particular regard to the management of institutional communications.

Control of the activities exposed to risk through the constant monitoring of the perception of the Tirreno Power brand by stakeholders and specific communication and information activities, targeted at maintaining an excellent brand reputation.

The Corporate Affairs Department is responsible for the actions targeted at the correct implementation of the risk management policies, which ensures the development of relational capital and the identity of the company, the definition of the corporate image and brand identity strategies and strengthening of the Company's reputation.

The Company monitors and manages the risk through the following non-exhaustive list of analyses and instruments:

- **Press Review** – The company is equipped with a press review service, which, through a daily newsletter, reports the news that appears in the press in relation to the Company, its shareholders, the reference areas and some important themes.
 - **Media relations** – The Regulatory, Institutional and Communication Affairs O.U. deals with the press office functions, supported by an advisor who handles relations with the local and national press publications.
 - **Practice of management of critical events** – The Company has defined a communication flow dedicated to the management of emergencies, in order to monitor any particularly urgent or relevant cases.
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In addition, the Company implements proactive media communication actions and initiatives aimed at the reference areas with the aim of increasing knowledge of the company and its processes and protecting the company's reputation by reducing image risk.

Environmental risk

This risk identifies the eventuality that the Company may suffer negative consequences, in economic or capital terms, or which damage its reputation, or in terms of the safety of personnel, as a result of environmental pollution resulting from the operation of plant operation.

The Company's policy consists of the prevention of all forms of environmental pollution or damage connected with the operation of its plants, the prevention of possible risky events through the development and implementation of certified management procedures that make it possible to satisfy its obligations as regards compliance with environmental requirements, the development of regular technical-operating training programmes for personnel in the mapping and analysis of potential environmental risks; as well as the transfer of residual risks through the stipulation of adequate insurance policies to cover any damages and civil liability connected with accidents.

The Company monitors and manages the risk through the following non-exhaustive list of analyses and instruments:

- implementation of an Integrated Management System, drawn up in compliance with the requirements of the UNI EN ISO 14001 and UNI ISO 45001 standards, at the thermoelectric assets, which includes procedures for the identification of applicable environmental legislative measures, equipment maintenance plans and internal emergency plans, in order to minimise environmental risks;
 - development of regular technical-operational training programmes for personnel, both employees and companies operating at the sites and mapping and analysis of near accidents in order to minimise environmental risks;
 - plants aligned with Best Available Techniques (MTD) and compliance with legal requirements and environmental requirements;
 - stipulation of adequate insurance policies to cover any damages and civil liability connected with accidents. It should be noted that Tirreno Power has also always been equipped, accompanying its Third-Party Civil Liability Insurance Policy, with a specific Pollution Civil Liability policy to cover the risk of "gradual pollution", where the Third-Party Civil Liability Policy only covers damages stemming from "accidental" pollution.
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NOTES TO THE BALANCE SHEET

ASSETS

NON-CURRENT ASSETS

1. PROPERTY, PLANT AND EQUIPMENT

Details of tangible fixed assets are provided below, by individual category, along with the changes in the period:

(thousands of Euro)	FIXED ASSETS IN OPERATION					Fixed assets in progress and advances	BOOK VALUE
	Lands and buildings	Rights of use	Plant and equipment	Industrial and commercial equipment	Other assets		
-historical cost as at 12.31.2024	181,055	4,349	1,710,885	9,376	7,293	48,617	1,961,575
-write-downs (-) as at 12.31.2024	(19,246)	0	(204,581)	(166)	(19)		(224,012)
-accumulated depreciation (-) as at 12.31.2024	(130,811)	(3,141)	(1,225,027)	(8,957)	(5,987)		(1,373,923)
Values as at 12.31.2024	30,997	1,208	281,273	419	1,305	48,617	363,639
Opening values as at 01.01.2025	30,997	1,208	281,273	419	1,305	48,617	363,639
Changes							
-acquisitions	479	430	10,822	33	432	26,966	39,162
-reclassifications					16		16
-disposals (-)							
of which:							
<i>historical cost</i>			(11,352)		(48)		(11,400)
<i>accumulated depreciation</i>			9,438		11		9,449
<i>use of write-down provision</i>							0
-depreciation	(2,959)	(619)	(28,852)	(62)	(435)		(32,927)
-commissioning	105		5,434		243	(5,782)	0
Total changes (B)	(2,375)	(189)	(14,510)	(29)	219	21,184	4,300
Values as at 12.31.2025	28,622	1,019	266,763	390	1,524	69,801	367,939
of which							
-historical cost	181,639	4,779	1,715,789	9,409	7,936	69,801	1,989,353
-write-downs (-)	(19,246)	0	(204,581)	(166)	(19)		(224,012)
-accumulated depreciation (-)	(133,770)	(3,760)	(1,244,441)	(9,019)	(6,411)		(1,397,401)
Net value	28,622	1,019	266,767	224	1,506	69,801	367,939

As at December 31, 2025, the value of property, plant and equipment amounted to EUR 367,939 thousand. During the year, the Company made investments totalling EUR 39,162 thousand, of which EUR 11,766 thousand relating to “fixed assets in operation”, EUR 26,966 thousand relating to “work in progress and payments on account”, to which are added EUR 430 thousand in capitalisation for rights of use.

Investments relating to fixed assets in operation (EUR 17,564 thousand including commissioning) mainly concerned:

- for the Naples Levante plant the supply of TG and TV insulation, the advance for DCS migration to T3000 Siemens activities, as well as the activities carried out during the scheduled shutdown;
- for the Vado Ligure plant, the overhaul of the GVR 52 boiler bottom couplings, the advance for DCS migration to T3000 Siemens activities, the replacement of GVR screens, as well as the activities carried out during the scheduled shutdown;

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- for the Torrevaldaliga Sud plant the activities for the restoration of the TGB rotor fault, the advance for the HGPI of TV6, the activities for the installation of the photovoltaic plant, as well as the activities carried out during the scheduled shutdown;
 - with regard to the hydroelectric power plant, the new barrier of the Bevera intake works, the extraordinary overhaul of the alternator turbine of the Vizzà plant, the extraordinary maintenance work on the Cairo diversion canal, the post-2025 flood restoration work at the Spigno power plant.

For further details, please refer to the section “Investments and demolitions”.

As indicated in the previous report, the impairment test as at December 31, 2024 carried out using the cash flows of the only CGU of Tirreno Power showed a non-recoverable amount of EUR 220,000 thousand, making it necessary to recognise in the financial statements a write-down of the same amount related only to assets relating to combined cycle plants that were therefore written down proportionately based on expected cash flows for each production site. In consideration of the recoverable value attributable to the plants from renewable sources, they were not written down.

Considering that the Company's economic performance in 2025 was better than expectations, the main actions undertaken to date by management that will have repercussions in future years, as well as the consolidation of the Capacity mechanism also for future years, as at December 31, 2025 neither impairment indicators nor indicators that could trigger a restoration of value of the previously written down assets have emerged.

Depreciation of tangible fixed assets for the period mainly concerns the combined cycle thermoelectric production sites (EUR 23,324 thousand), the related Major Inspections (EUR 4,236 thousand) and the dismantling costs (Euro 398 thousand), and are calculated by applying the economic-technical rates representative of the useful life of each component.

As regards freely transferable assets, it should be noted that with Italian Law no. 12/2019, converting Italian Law Decree no. 135 of December 14, 2018 (Simplifications Decree), the Legislator made changes with an overall reorganisation of the regulations regarding large-scale hydroelectric concessions (> 3 MW). Specifically, the regulatory provisions envisage that the “wet works” relating to the large diversions pass free of charge to the Regions at the end of the concession; however, the investments in the “wet works” components carried out during the period of validity of the concession must be compensated to the outgoing concessionaire, for the part of the asset not amortised, provided that they are envisaged by the concession deed or in any case authorised by the grantor and have been incurred at its own expense.

In this regard, in continuity with what has already been incorporated in previous financial statements, the depreciation of the freely devolvable assets of hydroelectric Derivatives is determined according to the economic and technical life of the individual types of investments incurred on the assets of “wet works”.

As at December 31, 2025, there are no tangible fixed assets for which collateral has been given to third parties.

2. INTANGIBLE ASSETS

A table is provided below, which details the original values and changes:

(Euro thousands)	Industrial patents and software applications	Other assets	Fixed assets in progress and advances	BOOK VALUE
-historical cost as at 12.31.2024	13,291	44	174	13,509
-accumulated amortisation (-) as at 12.31.2024	(12,489)	(39)		(12,528)
Opening values as at 01/01/2025 (A)	802	5	174	982
Changes as at 12.31.2025				
-acquisitions	1,080		53	1,133
-reclassifications	111		(111)	0
-amortisation (-)	(674)	(1)		(675)
-other changes			(63)	(63)
Total changes (B)	517	(1)	(121)	395
Values as at 12.31.2025 (A+B)	1,320	4	53	1,377
of which				
-historical cost	14,482	44	53	14,579
-write-downs (-)				
-amortisation (-)	(13,163)	(40)		(13,203)
Net value	1,319	4	53	1,377

Acquisitions in the period, amounting to EUR 1,133 thousand, mainly relate to new licenses and the development of application software.

3. NON-CURRENT FINANCIAL ASSETS

This item refers to financial receivables due after 12 months.

(thousands of Euro)	12.31.2025	12.31.2024	Changes
- loans to personnel	190	212	(22)
- security deposits	8,412	5,707	2,705
Total non-current financial assets	8,602	5,919	2,683

Security deposits, amounting to EUR 8,412 thousand, regard the amounts paid for participation in the auctions relating to the Capacity Market relating to the delivery of energy for 2025, 2026 and 2027.

“Loans to personnel”, remunerated at current market rates and guaranteed by post-employment benefits, were granted for the purchase of a first home or to meet important family needs.

As at December 31, 2025, there were no financial assets recognised at a value higher than their fair value.

4. DEFERRED TAX ASSETS

As at December 31, 2024, following a careful analysis of the Business Plan, the Company's management deemed it appropriate not to recognise the deferred tax assets deriving in particular from the write-down of assets and the tax losses for the year 2023 and 2024, as no taxable income is expected in a reasonable time-frame and suitable for recovering them.

As at the date of preparation of these financial statements, there are no substantial elements such as to modify the previous assumptions regarding the forecast taxable income suitable for the recognition of deferred tax assets.

As for the above, considering the changes in the current year, as at December 31, 2025, no assets for deferred tax assets, for a total of EUR 36,619 thousand, were recognised in the Financial Statements, mainly resulting from the write-down of assets and tax losses for 2023 and 2024.

CURRENT ASSETS

5. INVENTORIES

The item, amounting to EUR 150,021 thousand, includes the CO2 quotas purchased to meet the company's delivery obligations and the materials mainly intended to be used for plant maintenance.

With regard to the changes in CO2 quotas, the following steps were taken during the current year:

- the purchase of 1,900,000 CO2 emission certificates for a total of EUR 141,611 thousand;
- the delivery of 933,492 emission rights for a total of EUR 64,043 thousand in compliance with the Company's obligations for 2024.

Therefore, as at December 31, 2025, 1,809,335 quotas of EUR 135,155 thousand were recorded to cover the CO2 emissions carried out in 2025, which will be cancelled on the ETS register by September 2026 as per European regulation.

Inventories of materials amounted to EUR 14,825 thousand and are recognised in the financial statements according to the weighted average cost method.

Due to their intrinsic characteristics, these inventories of materials show a slow movement typical of spare parts for the type of combined cycle production plants, as can be seen also from the modest net change in the value of stocks.

It should also be noted that the obsolescence of tangible inventories provision, amounting to EUR 944 thousand, was issued in the current year, as recorded in previous years in relation to coal-fired units definitively decommissioned.

Details of inventories are provided below by type:

(thousands of Euro)	12.31.2025	12.31.2024	Changes
Tangible inventories	14,825	13,304	1,521
Other inventories	41	38	3
CO2 certificates	135,155	57,588	77,567
Total inventories	150,021	70,930	79,091

The overall increase in inventories is, as highlighted above, essentially attributable to the higher value of CO2 quotas purchased to comply with the Company's obligations for the year 2025, as better explained in the Management Report.

6. TRADE RECEIVABLES

This item, amounting to Euro 64,763 thousand, essentially includes trade receivables for the sale of energy.

(thousands of Euro)	12.31.2025	12.31.2024	Changes
Receivables for sale of energy:			
-GME	13,263	23,328	(10,065)
-Terna S.P.A.	17,008	4,498	12,510
-Other operators	34,351	46,265	(11,914)
Total receivables for sale of energy:	64,622	74,091	(9,469)
Other trade receivables	141	52	89
Total trade receivables	64,763	74,143	(9,380)

It should be noted that almost all of these receivables arose over the last two months of the year and that, as at the date of drafting these notes, they are essentially fully collected or collectible, given that the relevant expiries are in 30/60 days.

For more details on the changes, please refer to what was indicated previously in the Management Report in the "Analysis of the capital structure" section.

7. OTHER CURRENT ASSETS

The item, amounting to EUR 77,470 thousand, mainly includes tax receivables. The latter as at the reporting date amounted to EUR 52,164 thousand and essentially include the receivable from the tax authorities for VAT (EUR 48,818 thousand).

It should be noted that, in 2025, the annual 2024 VAT credit was collected (EUR 21,000 thousand).

In addition, the item includes advances paid to suppliers, amounting to EUR 10,000 thousand, following negotiations for the 2025 thermal year of the supply of natural gas for the operation of the plants; as well as loans to insurance companies, for damage from plants, amounting to EUR 12,500 thousand.

Lastly, EUR 1,237 thousand was recognised for insurance premiums paid in advance and receivables from social security institutions for EUR 836 thousand, these latter essentially relating to amounts paid in advance to employees for social security benefits relating to the Cassa Integrazione Guadagni Straordinaria (extraordinary wage guarantee fund) and solidarity contracts.

8. CASH AND CASH EQUIVALENTS

This item, amounting to EUR 27,188 thousand, essentially includes the credit balances of accounts held with leading banks.

LIABILITIES AND SHAREHOLDERS' EQUITY

9. SHAREHOLDERS' EQUITY

For information on changes in shareholders' equity, please refer to the Statement of Changes in Shareholders' Equity.

On 27 March 2025, the Shareholders' Meeting resolved:

- the hedging of the net loss for 2024 of EUR 210,513 thousand, using the retained earnings reserve;
- the distribution of the retained earnings reserve, for EUR 100,099 thousand, to the SFP holders and Shareholders, as follows:
 1. SFP remuneration of EUR 11,375 thousand;
 2. remuneration of Shareholders for EUR 2,944 thousand;
 3. cancellation of SFP certificates for a nominal value of EUR 85,779 thousand.

The item "Other reserves", equal to EUR 136,395 thousand, is composed as follows:

- Reserve from contribution of subscription of Junior PFIs amounting to a nominal EUR 284,386 thousand, approved at the Extraordinary Shareholders' Meeting on December 16, 2015 and recorded at fair value, amounting to EUR 204,000 thousand. This reserve was also reduced for the coverage of losses resolved at the same extraordinary shareholders' meeting amounting to EUR 88,735 thousand. In addition, as highlighted above, on March 27, 2025, SFP certificates of a nominal value of EUR 85,779 thousand were cancelled. The book value of this reserve, as at December 31, 2025, is therefore EUR 115,265 thousand, while the par value of SFP certificates, EUR 1 each, amounted to a total of EUR 198,608 thousand;
- Legal reserve for EUR 12,103 thousand;
- Available reserve for coverage of losses for EUR 9,243 thousand;
- IAS 19R reserve - Post-employment benefits and other benefits - negative for EUR 216 thousand.

The item "Accumulated gains and losses" includes the remaining amount totalling EUR 154,993 thousand of the retained earnings reserve following the above-mentioned distribution; and the IFRS reserve for retained earnings of EUR 832 thousand.

The share capital is represented by 60,516,142 ordinary shares with a nominal value of Euro 1.00 each, fully paid up and held 50% by ENGIE Italia S.p.A. and 50% by ENERGIA ITALIANA S.p.A.

According to the provisions of the Company's Articles of Association, it is not possible to resolve the distribution of profits, even if the credit lines of the Restated Facilities Agreement are fully repaid, if the additional conditions linked to pre-established minimum cash levels are not met.

The Participating Financial Instruments (PFIs), as defined in art. 2346, paragraph 6 of the Italian Civil Code, are financial instruments with equity or administrative rights, excluding voting rights at the general shareholders' meeting. The articles of association govern their methods and conditions of issue, the rights of entitlement, sanctions for non-performance of the services and, if permitted, the methods of circulation. The PFIs are therefore included in the so-called hybrid financial instruments. This definition means instruments with similar characteristics, both shares and obligations in relation to the characteristics outlined for the instrument, but with their own identity.

Each financial instrument is measured according to its own characteristics, from which is also derived the valuation method that is better able to define the value. The features of the PFIs can be identified by their own regulation.

The Junior PFIs are fully regulated by the Company's Articles of Association, and more precisely, Annex 1 "Regulations of the participating financial instruments of the Senior and Junior categories of Tirreno Power S.p.A."

PFIs do not, under any circumstances, entitle holders the right to attend or to vote at the ordinary and extraordinary shareholders' meeting of the Company.

Details of items of Shareholders' Equity and an indication of their current possibility of use and distribution, as well as their use in previous years, is provided below:

Nature/description	Amount	Possibility of use	Amount available	Summary of uses made in previous three years	
				To cover losses	For other reasons
Share capital:	60,516				
Capital reserves:					
Reserve from contribution of subscription of Junior PFIs	115,265	B			
Available reserve for coverage of losses	9,243	B			
Profit reserves:					
Legal reserve	12,103	B			
IFRS 9, CFH and IAS 19R reserves	-216	B			
Retained earnings	155,825	B/C			
TOTAL RESERVES	292,220				
Result for the year 2025	59,109				
Total Shareholders' Equity as at December 31, 2025	411,845				

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders and PFI holders

NON-CURRENT LIABILITIES**10. PROVISIONS FOR RISKS AND CHARGES**

Provisions for risks and charges amounted to EUR 64,489 thousand, an increase of EUR 2,939 thousand compared to December 31 2024.

The size of the provision and the changes are summarised below:

(thousands of Euro)	12.31.2024	Allocations	Uses	Other changes	12.31.2025	of which current	of which non-current
Dispute provision	1,275		(1)	(39)	1,235	0	1,235
Provision for redundancy and mobility incentives	70		(70)		0	0	0
Provision for sundry risks:	60,205	3,950	(525)	(377)	63,253	2,671	60,582
- site dismantling and restoration	55,541	2,487	(255)		57,773	1,726	56,047
- other	4,665	1,463	(270)	(377)	5,481	945	4,536
Total provisions for risks and charges	61,550	3,950	(596)	(416)	64,489	2,671	61,818

Provisions for the period, amounting to EUR 3,950 thousand, mainly refer to the following:

- EUR 2,487 thousand for the recognition of financial expenses pertaining to 2025 on provisions for future plant dismantling charges;
- EUR 658 thousand for the estimate of the Long-Term Incentive Plan;
- EUR 784 thousand for charges relating to Regional Tax on State Concessions for the years 2020-2024.

Uses included in particular EUR 222 thousand for demolition of the decommissioned plants in Vado Ligure and of the TV4 unit in Torrevaldaliga; as well as EUR 227 thousand for restoration activities following damage from floods in 2023 that involved the hydroelectric plants in Airole and Bevera.

The provision for sundry risks includes for EUR 57,773 thousand the estimate of the discounted costs that are expected to be incurred at the end of the production activities of the Torrevaldaliga, Naples and Vado Ligure plants for the abandonment of the areas, the dismantling, the removal of the structures and the restoration of the sites in the presence of current obligations. The non-current portion mainly refers to dismantling and restoration work to be supported at the end of the useful life of CCGT plants.

The item "Provisions for sundry risks - Other", equal to EUR 5,481 thousand, mainly includes EUR 1,221 thousand for the risk of non-recognition of receivables related to the extraordinary wage guarantee fund and EUR 1,316 thousand for the estimate of the Long Term Incentive Plan.

With regard to the dispute provision, EUR 628 thousand was set aside for the asbestos litigation for which the risk of losing is deemed probable.

At present, there are no elements in order to estimate further potential claims for damages.

11. POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS

These amount to EUR 3,606 thousand and reflect severance indemnities and other benefits accrued at the end of the year by employees, which are valued according to the actuarial criteria of IAS 19R set forth for defined benefit plans.

In particular, as regards the economic and financial scenario, the parameters used for the evaluation are as follows:

Post-employment benefits	2025	2024
Annual technical discount rate	3.09%	2.93%
Annual inflation rate	2.00%	2.00%
Annual rate of increase in post-employment benefits	3.00%	3.00%
Other employee benefits	2025	2024
Annual technical discount rate	2.93%	2.93%
Annual rate of salary increase	0.50%	0.50%

The following table illustrates the changes:

(thousands of Euro)	Post-employment benefits	Substitute indemnity - Electricity discount	Additional months' pay	Loyalty bonuses	BOOK VALUE
Values as at 12.31.2024 (A+B)	2,763	320	420	162	3,665
<i>Opening balance adjustment</i>	(11)				(11)
-Provisions			12	(7)	5
-Financial expenses (+)	81	10	12	3	106
-Gains (losses) from discounting (-/+)	(38)	(12)	(16)	3	(63)
-Uses (-)	(45)	(4)	(4)	(43)	(96)
Total changes (B)	(13)	(6)	4	(45)	(59)
Values as at 12.31.2025 (A+B)	2,750	314	424	117	3,606

The gains from discounting amount to EUR 63 thousand and are recognised in the equity reserve (net of taxes), excluding those relating to loyalty bonuses, which are booked directly to the income statement.

As a result of the issuance of the new IAS 19 revised, the additional information is summarised in the tables below:

Sensitivity analysis of the main valuation parameters on the data as at 12.31.2025

	Post-employment benefits	Additional months' pay	indemnity Energy discount
Inflation rate +0.25%	2,771,470.79	N/A	N/A
Inflation rate -0.25%	2,729,399.98	N/A	N/A
Discount rate +0.25%	2,717,507.38	420,018.19	309,905.28
Discount rate -0.25%	2,783,824.95	428,859.84	318,006.92

	Post-employment benefits	Additional months' pay	indemnity Energy discount
Pro future service cost	-	11,944.66	-
Duration of the plan	5.5	5.3	6.1

The number of employees by category is shown in the following table:

(units)	12.31.2024	Entries	Exits	Other/Reclassifications	12.31.2025
Executives and Middle Managers	49			3	52
White-collar employees	153		-4	-2	147
Blue-collar workers	28			-1	27
Total	230	0	-4	0	226

12. DEFERRED TAX LIABILITIES

This item, amounting to EUR 14,633 thousand, includes deferred taxes recognised in relation to the costs for so-called "prepaid and excess" amortisation that, according to tax legislation in force until 2007, were not recognised in the Income Statement, but taken directly into deduction from taxable income in the tax return.

The decrease compared to the previous year amounted to EUR 801 thousand and refers to:

- uses, amounting to EUR 1,360 thousand, for the release of the liability for higher taxes for non-deductible depreciation and amortisation portions relating to assets that are fully amortised or depreciated from a tax point of view, but which have not yet completed their accounting depreciation and amortisation process;

- the increase in the liabilities of EUR 559 thousand, substantially following the recalculation of amortisation on impaired assets, compared to what was estimated at December 31, 2024.

13. OTHER NON-CURRENT FINANCIAL LIABILITIES

The item, amounting to EUR 483 thousand, includes the non-current part of the financial payable recognised as a result of the application of IFRS 16 - Leases. The current portion of the debt, for EUR 511 thousand, was stated under other current financial liabilities.

CURRENT LIABILITIES

14. TRADE PAYABLES

“Trade payables”, amounting to EUR 61,111 thousand, relate to fuel supplies, materials and equipment, tenders and services, as well as debts to TERNA and GME for supplies and activities carried out by December 31, 2025. The maturities of these payables are generally comprised between 30 and 60 days and duly respected.

For a detailed analysis of the decrease compared to December 31, 2024, amounting to EUR 24,144 thousand, please refer to the Management Report.

15. PAYABLES FOR INCOME TAXES

This item, amounting to EUR 1,800 thousand, includes the estimate of the IRAP payable. For more details, please refer to note no. 27.

16. OTHER CURRENT LIABILITIES

Other current liabilities, amounting to EUR 141,143 thousand, refer mainly to the payable relating to the expense for the year 2025 for CO₂ emission rights (EUR 136,454 thousand) valued at the weighted average purchase price.

The item also includes payables to employees and payables to social security, welfare and insurance institutions.

The table below provides a breakdown:

(thousands of Euro)	12.31.2025	12.31.2024	Changes
Payables for CO ₂ emission rights	136,454	64,036	72,418
Other taxes	839	764	75
Payables due to social security institutions	1,748	1,503	245
Payables due to personnel	1,751	1,880	(129)
Other	351	68	283
Total other current liabilities	141,143	68,251	72,892

The increase in the item is mainly due to payables for emission rights, which increased for emission quotas for the period. For further details, please refer to what was previously indicated in the Management Report.

COMMITMENTS AND GUARANTEES

Commitments to suppliers are detailed below:

(thousands of Euro)	12.31.2025	12.31.2024	Changes
Tenders and miscellaneous supplies	88,620	82,561	6,059
Purchase of thermal fuel	6,010	14,388	(8,378)
Total commitments to suppliers	94,630	96,949	(2,319)

Commitments for the purchase of thermal fuel relate exclusively to the fixed term on natural gas purchase contracts.

The sureties requested in favour of third parties, amounting to EUR 32,085 thousand, concern policies issued by banks and insurance companies, at the request of the Company, and relate mainly to the guarantee to Terna for participation in the Capacity Market auction (EUR 7,952 thousand); to participation in the energy markets (EUR 18,500), as well as the guarantee for state concessions (EUR 2,242 thousand).

NOTES TO THE INCOME STATEMENT

17. REVENUES

The table below provides a breakdown of sales revenues:

(thousands of Euro)	12.31.2025	12.31.2024	Changes
Sale of energy:			
-Power Exchange	686,271	390,547	295,724
-Free market	93,822	196,920	(103,097)
-Capacity Market	86,834	61,431	25,403
-incentivised contributions - ex Green Certificates	3,518	26	3,492
-photovoltaic contributions	32	2,423	(2,391)
Total energy sales	870,478	651,347	219,131
Other sales and services	102	1,691	(1,589)
Total revenues from sales	870,581	653,038	217,542

Tirreno Power's commercial portfolio consists of two types of customers, customers that operate in the free market and those, instead, that operate on the Power Exchange. Revenues from Power Exchange sales include the results of trading on the dispatching services market. Sales on the free market instead refer to physical bilateral contracts.

The item "Other sales and services" mainly includes the sale of origin guarantees (EUR 55 thousand).

For more details also on the changes compared to December 31, 2024, please refer to the Management Report.

18. OTHER REVENUES

"Other revenue", amounting to EUR 14,736 thousand, mainly refers to the insurance refund (EUR 12,500 thousand) for the damage sustained to the TGB of Torrevaldaliga turbogas in August 2025. In addition, there were positive adjustments in costs/revenues from previous years, amounting to EUR 1,521 thousand, mainly for energy item adjustments, as well as the tax credit on investments in capital goods for EUR 409 thousand.

As regards the changes compared to December 31, 2024, please refer to the Management Report.

19. OWN WORK CAPITALISED

The item totalled EUR 831 thousand, relating primarily to the capitalisation of materials taken from the warehouse (EUR 321 thousand) and the capitalisation of internal resources at the time of the multi-year maintenance carried out in 2025 (EUR 510 thousand).

20. CONSUMPTION OF RAW MATERIALS

(thousands of Euro)	12.31.2025	12.31.2024	Changes	%
Energy purchased on the Electricity Market	140,729	235,313	(94,583)	-40%
Purchase of fuel for heat production	459,470	242,856	216,614	89%
Purchase of materials and other equipment	2,984	2,511	474	19%
Change in other stocks	(530)	(139)	(391)	n/s
Total consumption of raw materials	602,654	480,541	122,114	25%

The purchase of fuels related exclusively to natural gas supply.

The cost of fuel consumed in the period, amounting to EUR 459,470 thousand, increased significantly compared to the cost incurred in 2024 by virtue of a significant volume effect being, the quantities consumed, increased by about 95% following higher production. On the other hand, the PMP showed a slight decline from 527.4 €/ksmc to 510.5 €/ksmc). Energy purchased on the Electricity Market decreased due to lower energy purchases from GME and bilateral contracts due to lower operations on the Open Market.

For further details, please refer to the Management Report.

21. PERSONNEL COSTS

Personnel costs amounted to EUR 22,348 thousand, an increase of EUR 705 thousand compared to 2024 due to the increase in costs due to contractual renewal.

The headcount as at December 31, 2025 was 226, compared to 230 as at December 31, 2024.

22. SERVICE COSTS

Service costs, amounting to EUR 20,821 thousand, decreased by EUR 4,289 thousand compared to the same period in 2024.

Details by type of cost are given below:

(thousands of Euro)	12.31.2025	12.31.2024	Changes	%
Costs of services and tenders	8,060	7,466	594	8%
Expenses for transactions on the Electricity market	1,170	1,726	(556)	-32%
Insurance costs	5,652	9,327	(3,676)	-39%
Security, cleaning and other building costs	578	620	(43)	-7%
Waste disposal	206	277	(70)	-25%
IT services	1,824	1,760	64	4%
Telephone and data transmission expenses	530	532	(2)	0%
Other services	2,801	3,402	(600)	-18%
Total service costs	20,821	25,110	(4,289)	-17%

The decrease is mainly attributable to the lower costs (EUR 3,676 thousand) incurred for insurance premiums.

23. OTHER OPERATING COSTS

Other operating costs amounted to EUR 144,659 thousand, up by EUR 71,733 thousand compared to December 31, 2024.

The following table provides details of other operating charges:

(thousands of Euro)	12.31.2025	12.31.2024	Changes	%
Contributions and fees	3,239	3,468	(229)	-7%
Provisions for risks and charges	244	1,812	(1,567)	-87%
Expenses for CO2 rights	136,454	64,036	72,418	113%
Taxes and duties	2,604	2,560	44	2%
Other expenses	2,118	1,051	1,067	102%
Total operating costs	144,659	72,926	71,733	98%

The change is mainly attributable to higher emissions rights charges, amounting to EUR 72,418 thousand, mainly as a result of higher production as well as the increase in the average purchase price of CO₂ quotas (+6.18 €/tonne).

With regard to provisions for risks and charges and related changes compared to the previous year, please refer to the Management Report in the comment on the reclassified Income Statement.

24. AMORTISATION, DEPRECIATION AND WRITE-DOWNS

The item refers to the depreciation/amortisation in the period, calculated on the basis of economic-technical rates.

The table below sets out the depreciation/amortisation by type of asset compared with data for the previous year:

(thousands of Euro)	12.31.2025	12.31.2024	Changes	%
Depreciation of buildings	2,959	5,139	(2,180)	-42%
Amortisation of rights of use	619	614	5	1%
Depreciation of plant and equipment	28,852	50,632	(21,781)	-43%
Depreciation of industrial equipment	62	91	(29)	-31%
Depreciation of other assets	435	369	66	18%
Amortisation of intangible fixed assets	739	882	(143)	-16%
Write-downs of tangible fixed assets	0	220,000	(220,000)	n/a
Total	33,667	277,728	(244,062)	-88%

The lower depreciation (EUR 24,062 thousand) is mainly due to the write-down of tangible fixed assets recorded, for EUR 220,000 thousand, in the 2024 Financial Statements.

25. FINANCIAL EXPENSES

Financial expenses amounted to EUR 3,782 thousand, down by EUR 63 thousand compared to the December 31, 2024.

The following table shows a breakdown:

(thousands of Euro)	12.31.2025	12.31.2024	Changes	%
Interest expenses and charges on loans	1	5	(4)	-89%
Interest expenses for decommissioning, post-employment and other benefits	2,595	2,494	101	4%
Other financial expenses	1,186	1,346	(160)	-12%
Total financial expenses	3,782	3,845	(63)	-2%

The item "Other financial expenses" refers exclusively to commissions on guarantees.

26. FINANCIAL INCOME

Financial income amounted to EUR 1,892 thousand, down EUR 5,232 thousand compared to December 31, 2024 and mainly refers to accrued interest income on bank current accounts (EUR 1,839 thousand).

27. INCOME TAXES

The breakdown of taxes as at December 31, 2025 is shown below:

(thousands of Euro)	12.31.2025	12.31.2024	Changes
IRAP	1,800	0	1,800
Deferred tax assets	0	871	(871)
Deferred tax liabilities	(1,360)	(15,540)	14,180
Taxes - prior years	559	6,926	(6,367)
Total	999	(7,743)	8,742

The taxes resulting from the recognition of deferred taxation refer to the positive effect relating to the use of the deferred tax liabilities generated on past excess and prepaid tax amortisation. With regard to deferred tax assets, please refer to note 4.

Taxes relating to previous years refer to the adjustment of deferred tax liabilities carried out on the occasion of the precise recalculation of the effects of the write-down of assets, compared to what was estimated at December 31, 2024.

The estimated IRES and IRAP taxable amount is reduced with respect to the statutory profit, in particular:

- due to the deductibility of higher tax depreciation in the tax return to be calculated in relation to the amounts of assets written down. In fact, it should be noted that an impairment loss on tangible fixed assets of EUR 220,000 thousand was recorded in the previous financial statements;
- for IRES purposes only, for the portion deductible in the tax return deriving from the distribution, in favour of SFP holders, resolved by the Shareholders' Meeting on March 27, 2025.

The reconciliation between the theoretical and effective tax rate is shown below:

(thousands of Euro)	IRES	Taxable amount	Tax	%
Pre-tax profit/loss (A)		60,108		
Theoretical rate				24.00%
Theoretical taxation			14,426	
Increases in taxable income		10,254	2,461	
Decreases in taxable income		(70,070)	(16,817)	
Recovery of past tax losses		(233)	(56)	
Tax deduction for earthquake bonus			(14)	
Taxable income		58		
Actual taxation (B)			(0)	
Actual rate (B/A)				0.00%

(thousands of Euro)	IRAP	Taxable amount	Tax	%
Net Production Value (C)		84,591		
Theoretical rate				4.84%
Theoretical taxation			4,094	
Increases in taxable income		2,817	136	
Decreases in taxable income		(50,217)	(2,431)	
Tax profit/loss		37,190		
Actual taxation (D)			1,800	
Actual rate (D/C)				2.13%

OTHER INFORMATION

Relationships with subsidiaries, affiliates, parent companies and companies controlled by the latter

Any transactions carried out with Shareholders and other related parties, as described below, were carried out under normal market conditions and in the interest of each company:

(thousands of Euro)	Receivables 12/31/2025	Payables 12/31/2025	Costs 12/31/2025	Revenues 12/31/2025
Financial				
ENGIE ITALIA Spa				
Tax transparency	87			
Trade				
ENGIE ITALIA Spa	0	10,769	123,146	0
ENGIE GLOBAL MARKETS ITALIA	2,830	0	1,594	23,478
ELECTRABEL BLD NV/SA	0	12	557	0
SORGENIA Spa	0	10,764	123,128	88
TRACTEBEL	0	16	0	0

Loans to Shareholders, amounting to Euro 87 thousand, relate to the portion pending collection by Engie Italia in relation to IRES refund requests for non-IRAP deductions, presented when the Company signed up to the tax transparency regime in accordance with art. 115 of the Consolidated Law on Income Tax (TUIR).

The items of a commercial nature vis-à-vis ENGIE Global Markets Italia refer to sales of energy, while those vis-à-vis Sorgenia S.p.A. and Engie Italia S.p.A., particularly refer to gas purchases. It should be noted that a gas supply contract with the shareholders to power some Tirreno Power production plants is valid.

Atypical and unusual transactions

There were no atypical or unusual transactions, or outside normal company operations or able to significantly impact the Company's financial position.

Contingent assets and liabilities

There are no additional contingent assets and liabilities to be highlighted arising from events that occurred during 2025, in addition to what has already been reported in the Management Report and in the notes.

On the other hand, as regards the contingent liabilities deriving from the continuation of the proceedings pending at the Public Prosecutor's Office of Savona, despite the acquittal at first instance, the assessment of the risk of losing the case must still be considered possible and, at present, the compensation consequences for the Company deriving from the outcome of the appeal proceedings are not foreseeable

as the claims made are currently supported by the same elements acquired in the first instance proceedings.

For more details, please refer to the paragraph “Information regarding the criminal proceedings of the Vado Ligure site”.

Significant events after the close of the period

Please refer to the relevant paragraph of the Management Report.

Proposed allocation of result for the year

Please refer to the “Proposals of the Board of Directors” paragraph of the Management Report.



Contact information

Registered office:

Via Barberini, 47 - 00187 Rome - Italy

Tel. 39 06 83022810 – Fax 39 06 83022828

Mail: info@tirrenopower.com

PEC (certified e-mail address): tirrenopower@pec.tirrenopower.com

Website: www.tirrenopower.com



Tirreno Power is an associate of **Energia Libera**



Press Office – External Relations

Mail: ufficiostampa@tirrenopower.com

Purchasing Office

Via A. Diaz, 128 – 17047 – Valleggia di Quiliano (SV) – Italy

Tel. 0197754000 – Fax 39 019 7754827

PEC (certified e-mail address): acquisti@pec.tirrenopower.com

Personnel

PEC (certified e-mail address): personale@pec.tirrenopower.com

Environment, Safety and Authorisations

PEC (certified e-mail address): ambientesicurezzaeautorizzazioni@pec.tirrenopower.com

Administration, Finance and Control:

PEC (certified e-mail address): amministrazionefinanzaecontrollo@pec.tirrenopower.com

Napoli Levante Thermoelectric Plant:

Stradone Vigliena, 39 – 80146 Naples – Italy

Tel. 39 081 3455858 – Fax 39 081 3455830

PEC (certified e-mail address): centralenapoli@pec.tirrenopower.com

Vado Ligure Thermoelectric Plant:

Via Diaz, 128 – 17047 Valleggia di Quiliano (SV) – Italy

Tel. 39 019 7754111 – Fax 39 019 7754785

PEC (certified e-mail address): centralevadoligure@pec.tirrenopower.com

Torrevaldaliga Sud Thermoelectric Plant:

Via Aurelia Nord, 32 – 00053 Civitavecchia (RM) – Italy

Tel. 39 0766 742111 – Fax 39 0766 25877

PEC (certified e-mail address): centraletorrevaldaliga@pec.tirrenopower.com

Renewable Sources Sector:

Corso Torino, 1 – 16129 Genoa – Italy

Tel. 39 010 5374600 – Fax 39 010 5374601

PEC (certified e-mail address): settorefontirinnovabili@pec.tirrenopower.com

