2025 Annual Financial Report

magis

DOCUMENT NAVIGATION GUIDE

The 2025 Report contains hyperlinks to facilitate access to and navigation through all contents.

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- Click on the gray headings to go directly to the chapter corresponding to the selected section.

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CORPORATE, MANAGEMENT AND CONTROL BODIES

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDITORS

BDO Audit Services S.r.l.

COMPANY DETAILS

Company name:	Magis S.p.A.
Share capital:	95.588.235 euro
Registered office:	Lungadige Galtarossa 8 - 37133 Verona (VR)
TAX ID CODE	00215120239
VAT number	02770130231
REA	VR – 30821
Website:	www.gruppomagis.it
PEC address:	protocollo@pec.gruppomagis.it

* The audit firm BDO Italia S.p.A., appointed by the Shareholders' Meeting on 24 June 2021 pursuant to Italian Legislative Decree 39/2010 to carry out the statutory audit of Magis S.p.A.'s separate and consolidated financial statements, contributed, with effect from 1 January 2026, a business unit to BDO Audit Services S.r.l. which includes, among other things, the engagement for the statutory audit of Magis S.p.A.'s separate and consolidated financial statements.

Dear Shareholders and Stakeholders,

For Magis Group, 2025 was a defining year. We demonstrated our capacity to grow consistently, fulfil the commitments made to the market and to our local communities, and embrace the future with renewed ambition and a new identity.

One of the final achievements of the year was the launch of our corporate rebranding. Magis has replaced AGSM AIM as the Group's name. In Latin, magis means "more", "beyond", "towards something better". Magis is much more than a new brand: it reflects who we are and what we aspire to become. Built on more than one hundred years of service and commitment to our communities, the Magis brand reflects our determination to continue growing and creating value. Our goal is to become a key player in the energy transition and one of Italy's leading providers of energy and integrated services. We intend to bring to every area in which we operate the same standards of excellence, customer focus and innovation that have shaped our reputation in Verona, Vicenza and across the Veneto region. What makes this journey even more distinctive is that we remain entirely publicly owned – a characteristic that makes us unique and of which we are especially proud.

Our 2025 results speak for themselves. We achieved and exceeded all the targets set for the first year of our 2030 Business Plan. EBITDA increased by 14% year on year to Euro 204 million, exceeding the significant milestone of Euro 200 million for the first time. Net profit reached Euro 58 million, an increase of 9.4% compared with 2024. Investment activity accelerated significantly during the year, increasing by 82.4% to Euro 250.7 million. This increase demonstrates our confidence in the Group's ability to create value and deliver sustainable growth over the medium and long term.

The Board of Directors has proposed a dividend distribution of Euro 31.4 million, compared with Euro 28.9 million in the previous year. This proposal reflects the resilience of our business model and our commitment to sharing the value generated through balanced growth. For Magis, dividends have a broader significance than the traditional shareholder return. Our shareholders are local municipalities, and the value we distribute translates directly into resources for local communities, public services, infrastructure investment and improvements in quality of life across the territories we serve every day. It is a value chain creation that is deeply rooted in our identity and produces tangible benefits across our territories

During 2025 we completed five strategic M&A transactions that strengthened our competitive position, expanded our operational scale and increased our production capacity. We acquired photovoltaic and wind assets, together with two retail energy businesses. These transactions have reinforced both our renewable generation capabilities and our customer base, creating a strong platform for the next phase of growth. In addition, for the first time in the Group's history, installed renewable generation capacity exceeded that of conventional energy sources. This achievement goes beyond its environmental significance. It demonstrates that sustainability can be a powerful driver of long-term value creation, enabling strong and resilient financial performance while supporting greater energy independence for the Group. It confirms our belief that the energy transition is not simply a challenge to navigate, but an opportunity to lead and create value.

Our commercial expansion plan will see us reach 48 customer service branches across Italy by 2030. The 937,000 energy customers who already place their trust in us today represent the foundation of a growth journey aimed at establishing a truly national presence. Our reputation for reliability is reflected in our performance in the public sector market. In 2025, Magis became the leading supplier to Italy's Public Administration, securing six gas supply lots and six electricity supply lots through Consip's national procurement tenders.

2025 was also the year in which Magis fulfilled one of its most significant commitments to its home territory. As Verona prepared to welcome the Milano Cortina 2026 Olympic and Paralympic Winter Games, V-Reti completed a major infrastructure investment involving the construction of two new medium-voltage backbone lines. The project brought 20,000 volts into the heart of the city, connecting the primary substations on the outskirts of Verona with Piazza Bra and strengthening the resilience of the local electricity network. This complex infrastructure project ensured the reliability of the electricity supply during one of the most widely followed events in the world. Its true value, however, lies in its long-term impact. The new infrastructure will remain as a lasting legacy for the city, improving the quality, resilience and efficiency of Verona's electricity network. We are proud to have contributed, with expertise and responsibility, to a project that will continue to benefit the community well beyond the event itself.

Looking ahead, another significant milestone was reached in 2025 with the launch of construction works in Marghera for a green hydrogen production facility that will supply fuel for 94 buses operating within Venice's public transport network. This project is an investment in the future: a concrete commitment to zero-emission mobility and a testament to the capacity of Italian industry to drive the transition towards clean energy solutions. For Magis, Marghera is much more than Magis Group - 2025 Annual Financial Report -6

an industrial project. It demonstrates how innovation and sustainability can create value together, supporting industrial development while generating measurable environmental benefits for future generations.

The progress achieved during 2025 strengthened our competitive position, enhanced and diversified our generation portfolio and preserved a sound financial structure, with a Net Financial Position-to-EBITDA ratio of 2.6x. This provides a strong foundation from which to approach 2026 and the years ahead with increased confidence and resilience, while remaining fully aware of the challenges posed by a particularly complex geopolitical environment, continued volatility in energy markets and an ever-evolving regulatory landscape.

None of these achievements would have been possible without the dedication, professionalism and expertise of our people. To every colleague across Magis Group, we extend our heartfelt thanks. We remain firmly committed to investing in our workforce, as demonstrated by the 41,578 hours of training provided during the year.

We are confident that we are moving in the right direction. Yet we are equally convinced that the best chapters of the Magis story are still ahead of us.

Thank you for your continued trust and support.

Federico Testa
Chairperson

Stefano Fracasso
Vice Chairperson

Alessandro Russo
Chief Executive Officer

Report on Operations

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REPORT ON OPERATIONS

Dear Shareholders,

The consolidated financial statements of Gruppo Magis show revenues of Euro 2,158,008 thousand as at 31 December 2025 and profit for the year of Euro 57,952 thousand, of which Euro 54,086 thousand attributable to the Group, after depreciation, amortisation, write-downs and provisions totalling Euro 103,137 thousand. EBITDA amounted to Euro 203,934 thousand, up by around Euro 25 million (14%) on 2024.

The Net Financial Position amounts to Euro 531,622 thousand and increased as a result of significant investments, amounting to Euro 250,692 thousand, aimed at developing and strengthening plants and infrastructure, digital transformation and the acquisition of plants from 100% renewable sources, in line with the objectives of the 2025-2030 Business Plan, which provides for the implementation of the energy transition.

The results achieved in the year 2025, which show marked growth compared to the previous year thanks to the contribution of all the Business Units, confirmed the solidity and effectiveness of the multi-business model and its high level of resilience.

Despite the increasingly complex and rapidly evolving geopolitical environment, macroeconomic variables and, in particular, the energy scenario and climate change, Gruppo Magis confirms its commitments and ambitions for the 2025 financial year and future years, pursuing its path towards a sustainable energy transition.

In summer 2025, the Board of Directors of Magis S.p.A. prepared the new Business Plan, which sets out the development guidelines for the years 2025-2030. In line with this plan, the financial year under review ends, confirming what is envisaged by the Plan itself and anticipating its objectives, especially as regards the development of electricity generation capacity from renewable sources and the Group's national presence in the marketing of electricity and gas.

1. Profile of the Magis Group

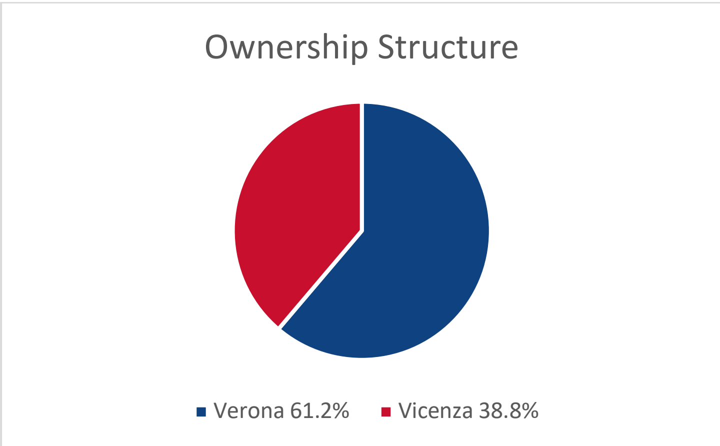
Ownership Structure

The Group was established on 1 January 2021 following the business combination (merger by incorporation) between AIM Vicenza S.p.A. and AGSM Verona S.p.A., adopting the name AGSM AIM S.p.A., i.e. the two acronyms of the pre-existing companies. During the 2025 financial year, activities aimed at rebranding the Group began and, from 1 March 2026, it adopted the name Magis group. The Group aims to play a leading role in the energy sector, starting in the North-East and reaching the whole of Italy. The integration made it possible to optimise the organisational structure thanks to the establishment of six Business Units: Energy, Power, Heat, Smart, Environment and V-Reti. Through these, essential services are provided to citizens and products with high added value for the development of companies, entities and institutions. The activity extends to the sectors of electricity, gas, district heating, energy efficiency, public lighting, telecommunications services, electric mobility and environmental health.

The Group is fully publicly owned as its capital is held by the Municipality of Verona and the Municipality of Vicenza.

The share capital of the Parent Company as at 31 December 2025 amounted to Euro 95,588 thousand, fully paid in and consisting of 63,725,490 ordinary shares, with a nominal value of Euro 1.5 each. The breakdown of the share capital is as follows:

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



The Parent Company Magis S.p.A. is a Public-Interest Entity (PIE) as the holder of bonds issued on regulated markets.

Business sectors and Corporate structure of Gruppo Magis

As part of the Group's rebranding project effective 1 March 2026, the Parent Company and the companies listed below, which head up their respective Business Units, changed their company names and, in this document, the new name is used for those companies and for the other companies of the Magis Group.

Previous name	New name
AGSM AIM S.p.A.	Magis S.p.A.
AGSM AIM AMBIENTE S.r.l.	Magis Ambiente S.r.l.
AGSM AIM POWER S.r.l.	Magis Power S.r.l.
AGSM AIM CALORE S.r.l.	Magis Calore S.r.l.

AGSM AIM ENERGIA S.p.A.	Magis Energia S.p.A.
AGSM AIM SMART SOLUTIONS S.r.l.	Magis Smart S.r.l.

The Group operates mainly in the following areas:

- generation of electricity;
- production of electricity and heat for district heating networks;
- electricity and gas distribution and metering;
- sale of electricity, gas and heat;
- public lighting;
- waste collection, treatment and transport;
- telecommunications services;
- parking management.

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

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

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

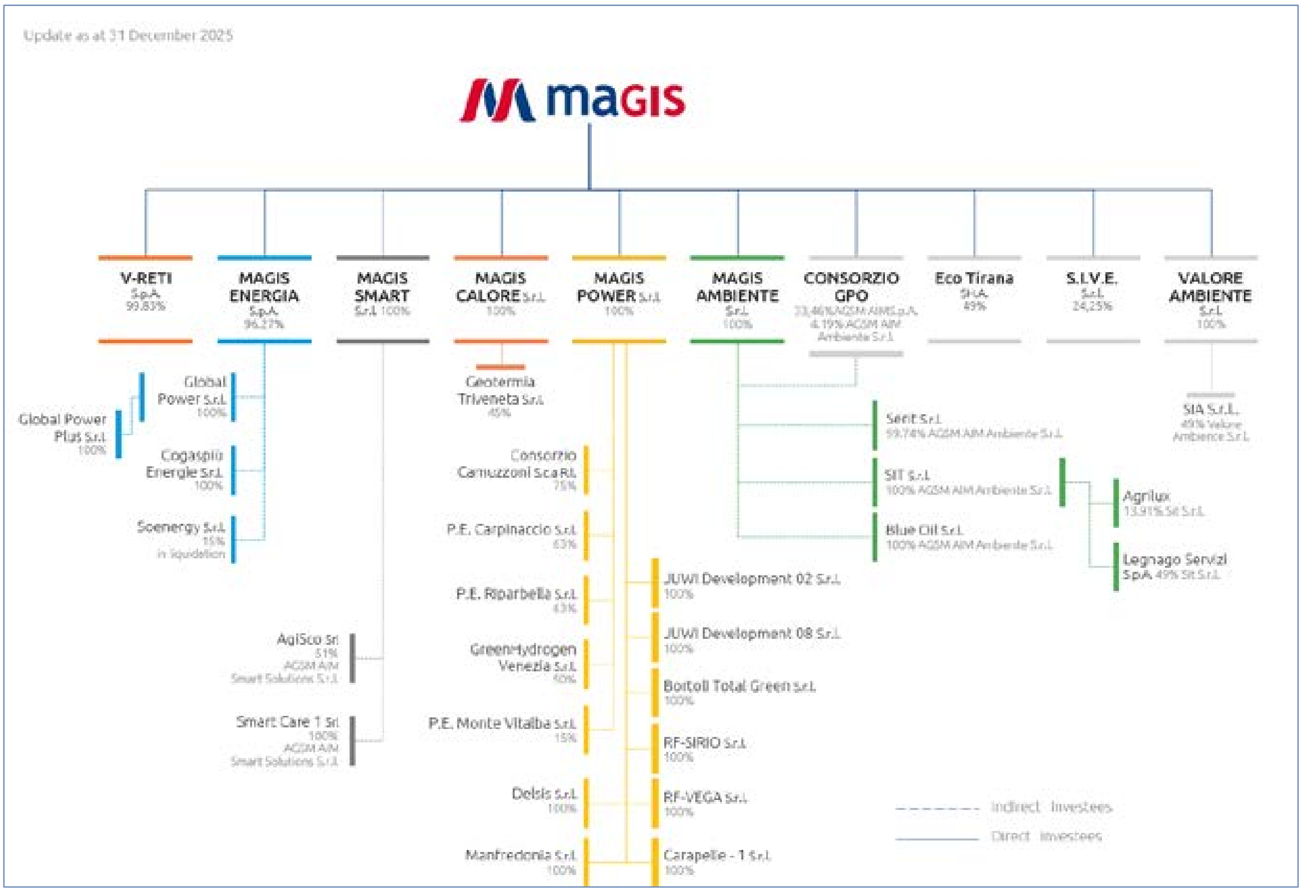
Networks Business Unit: operating in the gas and electricity distribution and metering sector, headed by V Reti S.p.A.;

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

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

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

The diagram below shows the group’s corporate organisation as at 31 December 2025.



Update as at 31 December 2025
V-RETI S.p.A. 99.83%
MAGIS ENERGIA S.p.A. 96.27%
MAGIS SMART S.r.l. 100%
MAGIS CALORE S.r.l. 100%
MAGIS POWER S.r.l. 100%
MAGIS AMBIENTE S.r.l. 100%
CONSORZIO GPO 33,46% AGSM AIM S.p.A. 4.19% AGSM AIM Ambiente S.r.l.
Eco Tirana SH.A. 49%
S.I.V.E. S.r.l. 24,25%
VALORE AMBIENTE S.r.l. 100%
Global Power S.r.l. 100%
Global Power Plus S.r.l. 100%
Cogaspiù Energie S.r.l. 100%
Soenergy S.r.l. 15% in liquidation
AgiSco Srl 51% AGSM AIM Smart Solutions S.r.l.
Smart Care 1 Srl 100% AGSM AIM Smart Solutions S.r.l.
Geotermia Triveneta S.r.l. 45%
Consorzio Camuzzoni S.c.a R.L. 75%
P.E. Carpinaccio S.r.l. 63%
P.E. Riparbella S.r.l. 63%
GreenHydrogen Venezia S.r.l. 50%
P.E. Monte Vitalba S.r.l. 15%
Delsis S.r.l. 100%
Manfredonia S.r.l. 100%
JUWI Development 02 S.r.l. 100%
JUWI Development 08 S.r.l. 100%
Bortoli Total Green S.r.l. 100%
RF-SIRIO S.r.l. 100%
RF-VEGA S.r.l. 100%
Carapelle - 1 S.r.l. 100%
Serit S.r.l. 99.74% AGSM AIM Ambiente S.r.l.
SIT S.r.l. 100% AGSM AIM Ambiente S.r.l.
Blue Oil S.r.l. 100% AGSM AIM Ambiente S.r.l.
Agrilux 13.91% Sit S.r.l.
Legnago Servizi SpA 49% Sit S.r.l.
SIA S.r.L. 49% Valore Ambiente S.r.L.
Indirect investees
Direct investees

2. General macroeconomic scenario

During 2025 and in the first months of 2026, the global macroeconomic scenario was characterised by overall resilient growth, but accompanied by a high level of geopolitical and financial uncertainty.

The main advanced economies continued to show positive growth dynamics, albeit below the historical long-term average, in a context marked by the progressive easing of inflationary pressures and the high level of public and private debt.

According to the leading international economic institutions, global economic growth is expected to remain moderate but relatively stable in the medium term, with average long-term growth of around 3% per year, while nevertheless highlighting increasing exposure to geopolitical and financial shocks.

At the same time, in recent years the global macroeconomic context has become increasingly influenced by geopolitical and geoeconomic dynamics, with a progressive rebalancing of relations among the main economic areas and a growing focus on energy security and strategic supply chains.

In this context, global energy markets entered a new phase of strong volatility during 2026 following the military escalation in the Middle East and the resulting disruptions to international energy routes. The conflict particularly affected the Persian Gulf area and the Strait of Hormuz, a strategic hub through which around 20 million barrels per day of oil and petroleum products transit, equal to around 20% of global oil trade.

Geopolitical tensions caused significant disruptions to global energy flows, with a temporary reduction in oil production of around 8 million barrels per day and sharp price swings on international markets. In the weeks following the outbreak of the conflict, Brent prices experienced significant volatility, rising to nearly 120 dollars per barrel before stabilising at levels close to 90 dollars, in any case significantly higher than previous levels.

The effects of the energy shock were felt across the entire global energy system, affecting not only oil prices but also those of natural gas, fuels and petrochemical products, with indirect impacts on supply chains and on global economic growth prospects.

Despite these tensions, the international energy system showed signs of resilience thanks to the availability of strategic stocks and the ability to diversify supplies. In particular, the member countries of the International Energy Agency agreed a coordinated release of around 400 million barrels from strategic reserves to mitigate the effects of the disruptions on global energy markets.

Overall, the macroeconomic and energy scenario remains characterised by high complexity and a significant level of uncertainty, stemming from the interaction between geopolitical factors, macroeconomic dynamics and the structural transformation of the energy system.

Below is a focus on what took place in 2025, with particular reference to the energy market in which the Group operates.

In 2025, commodity price movements were no longer driven solely by weak demand, but by a marked sectoral divergence. While energy prices showed signs of stabilising at lower levels, precious metals (gold and silver) and some soft commodities continued to outperform due to geopolitical uncertainty and interest rate cuts.
Unlike 2024, the price of oil faced downward pressure due to increased supply from non-OPEC+ countries, while the gas market entered a new phase. Although the process of replacing Russian gas with US LNG is now well established, 2025 marks the passing of the peaks of critical tension. According to analyses by ISPI (Istituto per gli Studi di Politica Internazionale), Europe has achieved greater infrastructure resilience, reducing the extreme volatility seen in previous years.

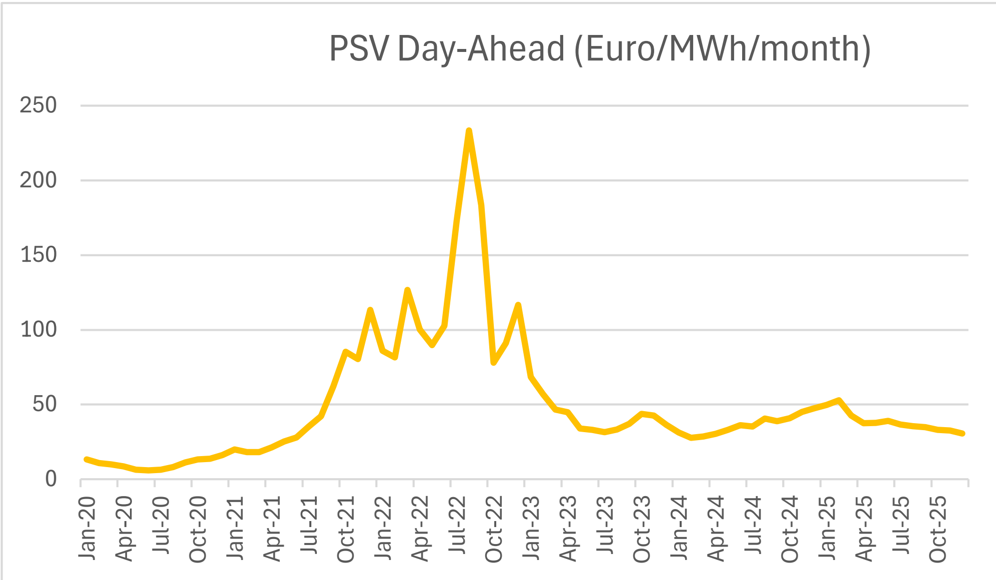
However, the global LNG market remains in a delicate balance: competition between Europe and Asia for US supplies and the expiry of the last gas transit agreements for Russian gas via Ukraine will keep prices at structurally higher levels than the historical pre-crisis average throughout 2025.

Year-on-year, there was a differentiated change in commodity prices compared to 2024, when the downward trend prevailed across all commodities: Brent oil (-15%), electricity (+7%), gas (+6%) and coal (-10%).

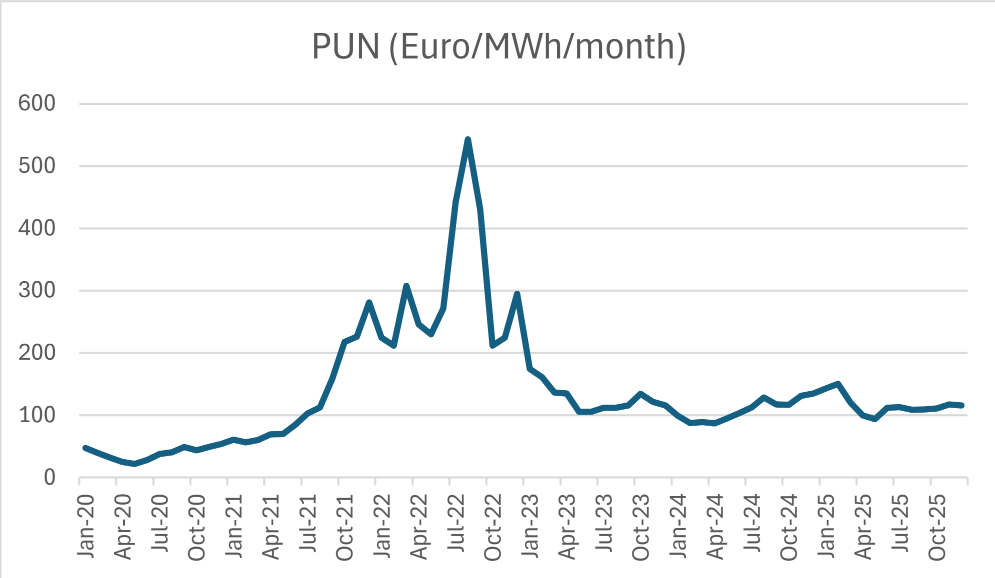
During 2025, the performance of non-energy commodities was characterised by deep fragmentation, with opposite trends between industrial metals and precious metals, which rose, and agricultural commodities, which fell, except for cocoa and coffee.

For gas, prices on the main European hubs were on average 6% higher than in 2024, while nevertheless remaining among the lowest since 2021. The trend showed growth during the first two months, reaching peak values in February 2025, when PSV rose to €52.9/MWh and TTF to €50.9/MWh, with the spread between the two quotations widening further on an annual basis compared with the previous year, reaching €2.39/MWh versus €2.02/MWh in 2024.

At the end of December 2025, European energy forward markets showed divergent expectations, influenced by a combination of climatic and structural factors that pointed to a 2026 shaped by the transition.



Average annual electricity prices, like those of gas, also increased, as they are closely correlated: in Italy, the average PUN was 115.9 €/MWh, up by around 7% compared to 2024.



It is worth noting the Germany-France spread (around +30 €/MWh, a new record high), driven by a decline in wind generation in Germany and high nuclear generation in France.

The average price of Guarantees of Origin (GO) produced in 2025 and traded in the same year fell by between 30% and 50% compared to the forward contracts traded in 2024, reaching a spot value that fluctuated between 0.30 and 0.48 €/MWh.

With the gradual excess supply (due to the recovery of hydroelectric power and the record number of photovoltaic installations), prices fell drastically. At the end of 2025, the value of 2025 GOs also collapsed because the market did not absorb the increase in supply, with strong overproduction compared to corporate demand.

Gas and electricity, unlike in 2024, recorded prices that were almost always declining in the first half of the year, while in the second half trends were the opposite, with gas continuing with slight decreases and electricity slight increases.

The divergent performance of gas and electricity was influenced by a combination of climatic factors, record renewables generation and geopolitical dynamics that reshaped market balances.

The main events that drove these trends are set out below:

1. Natural gas: the slump to annual lows

Gas ended the year at a low of 30.66 €/MWh in December, bucking the typical winter seasonality.

Exceptional temperatures: a particularly mild December (+1.17°C compared to the global average) drastically reduced heating demand.

Record storage and LNG: Europe maintained very high storage levels thanks to a record inflow of liquefied natural gas (LNG), which peaked in the second quarter of 2025, stabilising supply despite geopolitical tensions.

Weak industrial demand: the persistent weakness of European manufacturing demand helped keep prices subdued in the first half of the year, continuing with slight decreases through to year-end.

2. Electricity: spring lows and a rise in the second half of the year

Electricity followed a different path, hitting a low of 93.6 €/MWh in May.

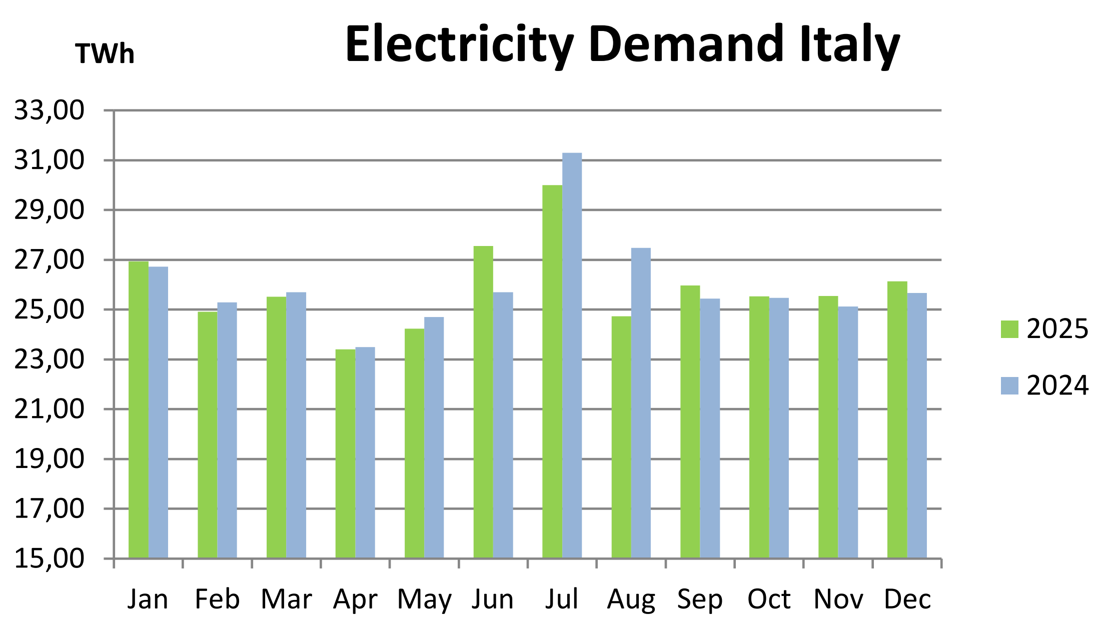
Photovoltaic boom (May): solar generation reached record peaks (98 TWh total in the EU), pushing wholesale prices (PUN) to their lowest levels during spring daylight hours.

Increases in the second half: unlike gas, electricity saw slight rises towards year-end due to the price of CO_2 and higher demand driven by electrification (record sales of electric cars at a 23% market share), which offset the fall in the gas commodity price.

In summary, while gas fell thanks to an oversupply of LNG and a warm winter, electricity was supported by structurally growing demand and the costs of emission allowances. A key factor for the Italian and European market in 2025 was the Euro/US dollar exchange rate. The strengthening of the euro, which moved from an average of 1.08 in 2024 to 1.13 in 2025 (+4.6%), partially cushioned the cost of imported raw materials (almost all priced in dollars), providing some relief to manufacturing companies.
Global coal demand in 2025, after the growth trend of the last decade, entered a phase of structural stability, settling on a plateau of around 8.8 billion tonnes. This balance stems from the offset between the decline in European and Eastern markets and the residual growth in the USA. The simultaneous overtaking by renewable sources in global electricity generation points to the start of a gradual decline in consumption in the medium term. In summary, 2025 ended as a year of normalisation of energy costs, while investor attention shifted decisively to precious metals and those needed for the green transition, the only sectors able to move against the trend compared to the rest of the basket.

Electricity market

In 2025, the trend in electricity demand compared with the same months of the previous year was mixed, with six months showing growth and six months showing a decline. According to initial calculations carried out by Terna, total electricity demand in Italy in 2025 amounted to 310.5 TWh (-0.52% compared to 2024). Peak demand was recorded on Tuesday, 1 July, between 2:00 p.m. and 3:00 p.m., reaching 56,152 MW; in 2024, peak demand had occurred on Friday, 19 July, between 2:00 p.m. and 3:00 p.m., reaching 57,869 MW. The demand for electricity in Italy, obtained as production + foreign balance - pump consumption, in 2025 compared to the corresponding figures for 2024 is as follows:



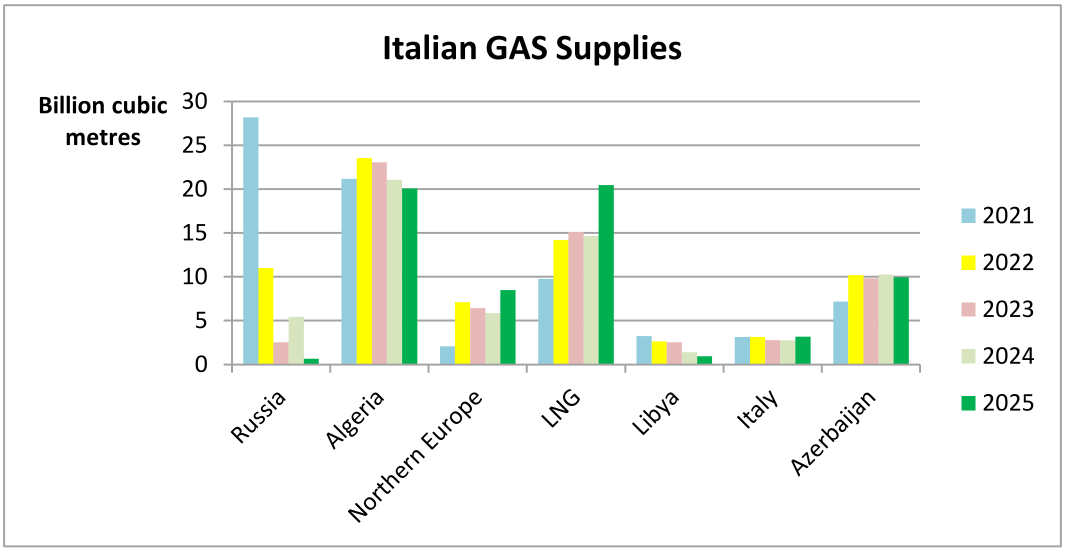
In 2025, the demand for electricity in Italy was 49.2% (4.5%) met by production from non-renewable energy sources and the remaining share by production from renewable sources and the foreign balance. The growth trend in renewables came to an end, to the benefit of thermoelectric generation.
In particular, electricity generation from renewable energy sources met 41.1% of electricity demand (compared with 41.2% in 2024); the decrease was mainly attributable to lower hydroelectric generation.
In 2025 total net domestic production met 84.96% of the demand for electricity, while 15.04% was covered by the balance from foreign countries.
Total net national electricity generation in 2025 amounted to 264.515 TWh (+1.24% compared with 2024), with sales from renewable energy plants contributing the following shares: hydroelectric 15.70%, biomass 6.11%, geothermal 2.00%, wind 8.11% and photovoltaic 16.81%.

In detail, compared with the previous year, net national generation recorded an increase in thermoelectric production (+4.55%), a slight decrease in geothermal generation (-0.17%) and a reduction in wind power generation (-3.21%). Photovoltaic grew strongly (+22.82%), while hydroelectric generation fell sharply (-20.57%), as did the import balance (-8.06%). The average purchase price of electricity on the power exchange (PUN) stood at €115.9/MWh, an increase of €7.4/MWh compared with 2024 (+8.6%). The increase mainly affected the winter months. The main factor behind the increase in the PUN was not the gas price, which originated in Europe, but the seasonal variability in the availability of renewable energy, which on average was lower than in 2024.
The highest hourly price recorded was €289.00/MWh, registered between 6:00 p.m. and 8:00 p.m. on Monday 20 January, while the lowest price, equal to €0.00/MWh, occurred during 10 hours in the month of May on the following dates: 1 May, Sunday 18 May and Sunday 25 May.

	PUN (€/MWh)	Peak (€/MWh)	Non Peak (€/MWh)
Jan-25	143,0	158,0	134,2
Feb-25	150,4	159,5	145,3
Mar-25	120,5	125,4	118,1
Apr-25	99,9	97,3	101,4
May-25	93,6	89,9	95,6
June-25	111,8	113,9	110,7
July-25	113,1	111,8	113,9
Aug-25	108,8	108,1	109,1
Sept-25	109,1	113,2	106,7
Oct-25	111,0	120,4	105,5
Nov-25	117,1	130,7	110,3
Dec-25	115,5	127,7	108,3
average	***115,9***	***121,1***	***113,0***

Natural gas market

In 2025, Italy saw growth in demand for natural gas (+4.7% compared to 2024, gross of exports) after 3 years of continuous declines, corresponding to total consumption of 64.4 billion cubic metres. In all months, consumption increased, with temperatures in Northern Italy almost always higher than in 2024.
Civil consumption amounted to 26.95 billion cubic metres (-0.50%), industrial consumption to 11.75 billion cubic metres (+1.4%), thermoelectric consumption to 21.95 billion cubic metres (+5.7%), while exports and other consumption totalled 3.75 billion cubic metres (+79.3%).
On the supply side, there was a sharp reduction in gas imports via pipeline (-8.9%), due to the near-zeroing of Russian supplies, and a substantial increase in seaborne (LNG) imports (+39.7%). Total imports amounted to 60.62 billion cubic metres (+3.2%).
The quantities of gas injected into Italian storage systems increased, reaching 10.39 billion cubic metres (+25.6%), while gas withdrawn also increased to 10.98 billion cubic metres (+29.6%). Gas stocks in Italian storage facilities as at 31 December 2025 declined compared with the average of recent years and amounted to 9.3 billion cubic metres (-7% compared with 31 December 2024).
Domestic production recovered slightly, rising to 3.2 billion cubic metres.
Total gas supplies in 2025 (import and national production) totalled 63.8 billion cubic metres compared to 61.5 billion cubic metres in 2024 (3.8%). Domestic production accounted for only 5.0% of total supplies; imports that grew, in addition to LNG, were those from Northern Europe (North Pool) and from Azerbaijan (TAP), while the others decreased:

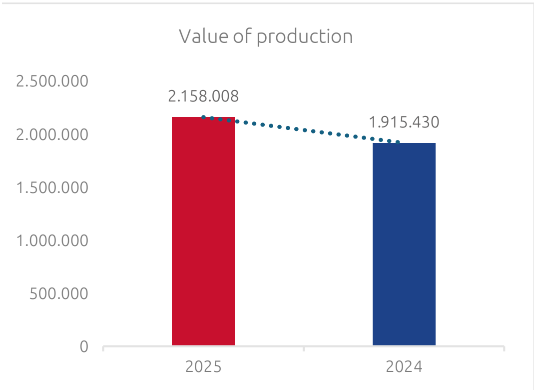

Italian GAS Supplies
Billion cubic metres
30
25
20
15
10
5
0
Russia
Algeria
Northern Europe
LNG
Libya
Italy
Azerbaijan
2021
2022
2023
2024
2025

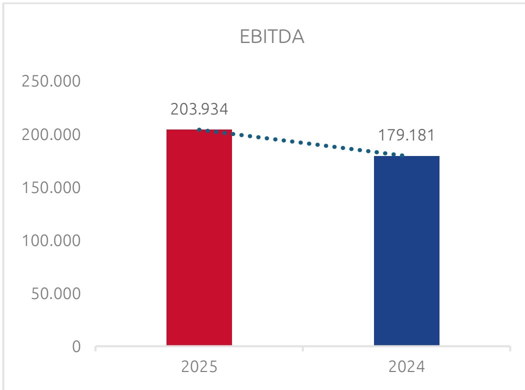
3. Consolidated results and performance of operations

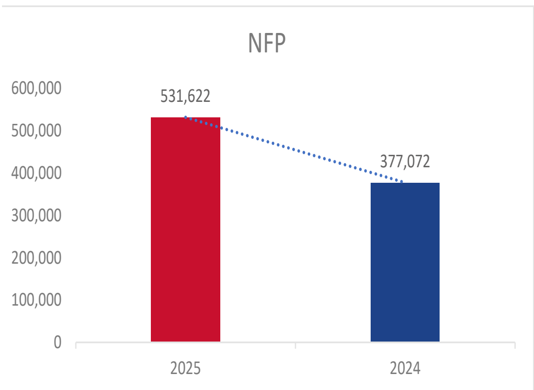
The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") in force at 31 December 2025. The table shown below indicates the main income statement results achieved in 2025.

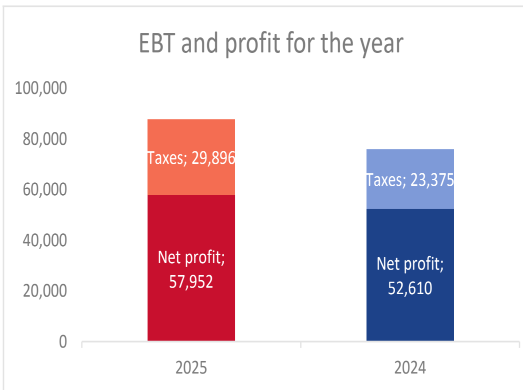
3.1. Economic position

In 2025, the Group achieved positive economic performance in terms of operating earnings, despite operating in an unstable energy market with frequent and sudden fluctuations.
All the Group Business Units contributed to this result.
The main performance indicators with reference to the results for the financial years 2025 and 2024 are shown below.
The values in the graphs below are shown in thousands of Euro.









As mentioned above, the Group's overall profit for the year came to Euro 57,952 thousand, with a return on equity (ROE) of 8%.

INCOME STATEMENT	2025	%	2024	%
Revenue	**2.158.008**	**100%**	**1.915.430**	**100%**
Revenue from sales and services	2.089.375	97%	1.848.549	97%
Change in inventories	517	0%	(1.015)	0%
Other revenue	68.116	3%	67.896	4%
Operating costs	**1.852.100**	**86%**	**1.639.298**	**86%**
Costs for raw materials and consumables	1.033.353	48%	864.900	45%
Costs for services	778.189	36%	733.811	38%
Costs for the use of third-party assets	14.398	1%	15.129	1%
Other operating costs	26.161	1%	25.457	1%
Added value	**305.908**	**14%**	**276.132**	**14%**
Personnel costs	101.974	5%	96.951	5%
EBITDA	**203.934**	**9%**	**179.181**	**9%**
Amortisation, depreciation, and provisions	**103.137**	**5%**	**90.562**	**5%**
Amortisation and depreciation	80.480	4%	78.780	4%
Write-down of receivables	12.232	1%	8.959	0%
Other provisions	5.284	0%	2.608	0%
Impairment of fixed assets	5.142	0%	215	0%
Net operating income	**100.797**	**5%**	**88.619**	**5%**
Financial position	**12.949**	**1%**	**12.635**	**1%**
Income from equity investments	309	0%	556	0%
Financial income	2.791	0%	2.955	0%
Financial expenses	16.802	1%	16.708	1%
Adjustments to financial assets	753	0%	562	0%
Pre-tax profit (loss)	**87.848**	**4%**	**75.985**	**4%**
Income taxes	29.896	1%	23.375	1%
Profit (loss) for the year	**57.952**	**3%**	**52.610**	**3%**
Profit (Loss) attributable to the Parent	54.086	3%	48.858	3%
Profit (loss) attributable to minority interests	3.866	0%	3.752	0%

Revenues amount to Euro 2,158,008 thousand, representing an increase of 13% compared with 31 December 2024. Please note that the amount set aside for the capacity market was classified under revenue rather than provisions and, to allow for a like-for-like comparison, the income statement for the previous year has been restated to reflect this reclassification.

Added value, i.e. the difference between revenue and external costs, amounted to Euro 305,908 thousand, up by Euro 29,776 thousand on the previous year;

EBITDA was Euro 203,935 thousand, up by Euro 24,753 thousand with a percentage on the value of production amounting to 9%;

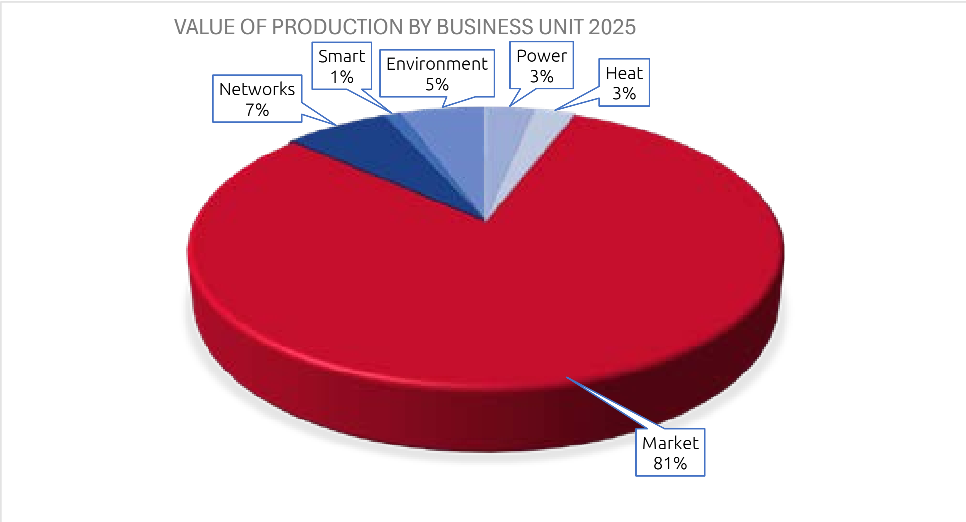
Amortisation/depreciation and impairment amounted to Euro 97,853 thousand and provisions amounted to Euro 5,284 thousand;

The **financial position** showed a negative balance of Euro 12,949 thousand, broadly in line with the Euro 12,635 thousand recorded in 2024.

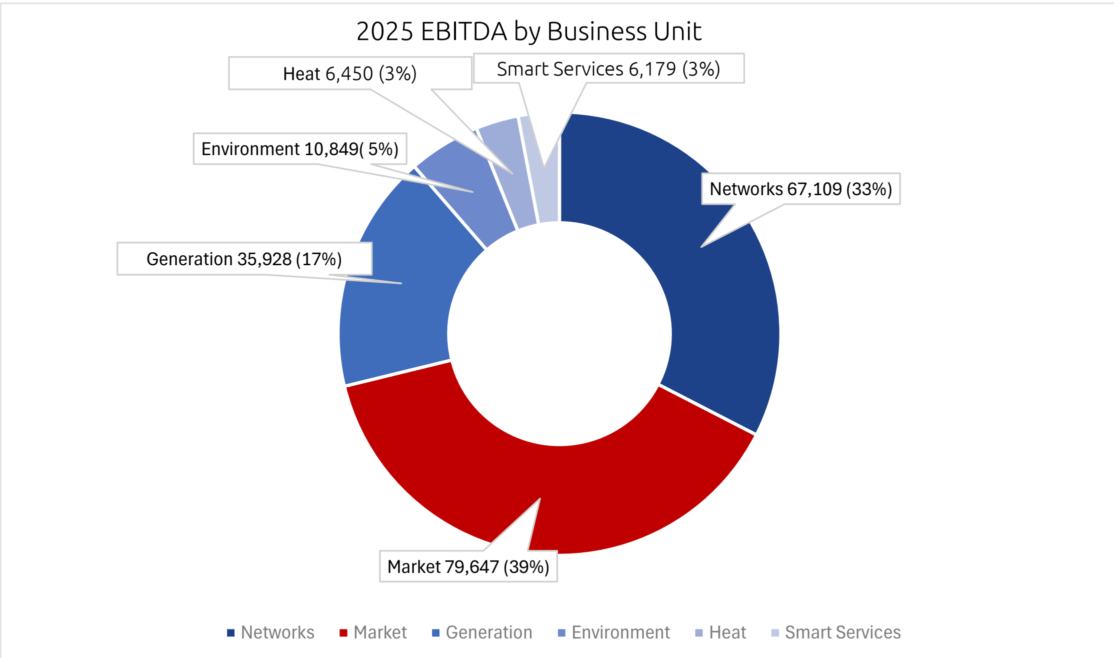
Pre-tax profit amounted to Euro 87,848 thousand compared to Euro 75,985 thousand in 2024;

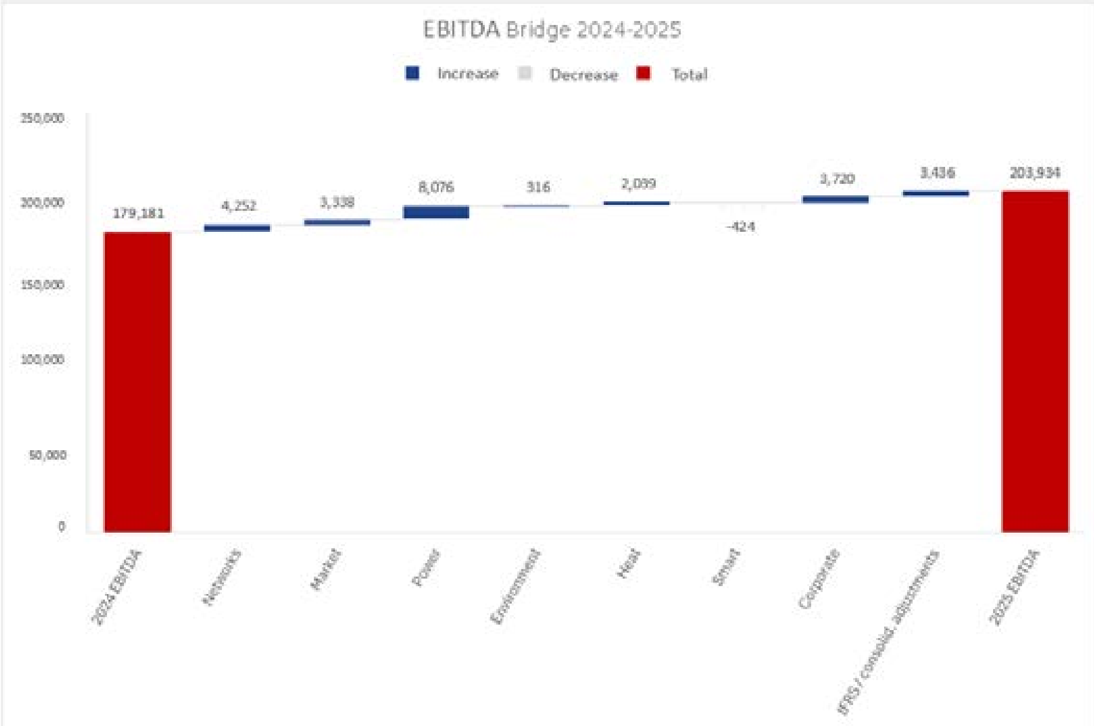
Net profit amounted to Euro 57,952 thousand compared to Euro 52,610 thousand in 2024.

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



Below is a breakdown of EBITDA for each Business Unit:




EBITDA Bridge 2024-2025
Increase
Decrease
Total
250,000
200,000
150,000
100,000
50,000
0
179,181
4,252
3,338
8,076
316
2,039
-424
3,720
3,436
203,934
2024 EBITDA
Networks
Market
Power
Environment
Heat
Smart
Corporate
IFRS / consolid. adjustments
2025 EBITDA

3.2. Financial position

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

	2025	%	2024	%
INVESTED CAPITAL				
Net non-current assets				
Intangible assets	455.374		436.457	
Tangible assets	700.192		532.252	
Goodwill	78.086		52.985	
Equity investments and other non-current financial assets	81.937		62.453	
Deferred tax assets/liabilities	(40)		15.615	
Employee benefits	(17.498)		(18.074)	
Provision for risks and charges	(75.891)		(64.211)	
Other non-current assets/liabilities	(38.165)		(21.542)	
Total net non-current assets	**1.183.994**	**94%**	**995.933**	**92%**
Net operating capital				
Short-term assets				
Inventories	17.889		17.759	
Trade receivables	456.601		515.929	
Other current assets	59.365		72.605	
Total short-term assets	**533.854**		**606.293**	
Short-term liabilities				
Trade payables	(341.782)		(381.910)	
Other current liabilities	(117.522)		(142.536)	
Total short-term liabilities	**(459.304)**		**(524.446)**	
Total net operating capital	**74.550**	**6%**	**81.848**	**8%**
TOTAL INVESTED CAPITAL	**1.258.544**	**100%**	**1.077.781**	**100%**
SOURCES OF CAPITAL				
Equity				
Share capital	(95.588)		(95.588)	
Legal reserve	(19.118)		(18.574)	
Other reserves	(535.279)		(516.091)	
Profit (loss) for the year	(54.086)		(48.858)	
Group Total Equity	**(704.071)**		**(679.112)**	
Net equity attributable to minority interests	(22.851)		(21.597)	
Total Equity	**(726.922)**	**58%**	**(700.709)**	**65%**
Net Financial Position				
Short-term net financial position	(239.465)		(207.588)	
Medium/long-term net financial position	(292.157)		(169.483)	
Total net financial position	**(531.622)**	**42%**	**(377.072)**	**35%**
TOTAL SOURCES OF CAPITAL AND FUNDING	**(1.258.544)**	**100%**	**(1.077.781)**	**100%**

Compared with the previous statement of financial position, invested capital, amounting overall to Euro 1,258,544 thousand, increased compared with the previous financial year, when it amounted to Euro 1,077,781 thousand. The trend in working capital (from Euro 81,848 thousand to Euro 74,550 thousand) is substantially stable compared to the previous year.
The increase in the total of non-current assets of Euro 188,061 thousand was attributable to the significant investment activity as regards Euro 250,692 thousand with amortisation/depreciation of Euro 80,383 thousand.

58% of net invested capital was financed by equity and the remainder by other sources of financing, mainly provided by the banking system, to support the working capital dynamics and investments.

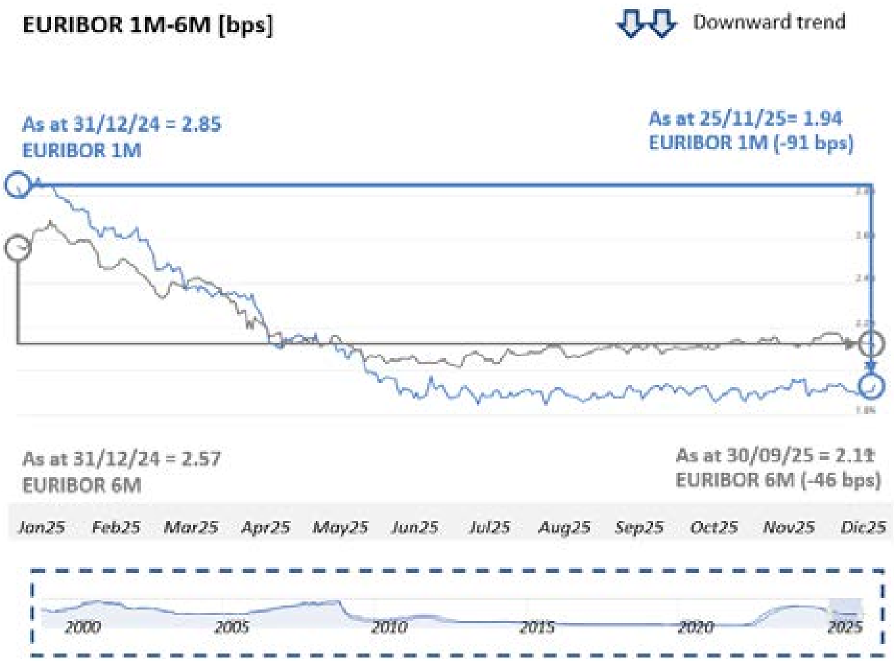
At the end of the financial year, total net financial indebtedness, presented in accordance with ESMA Guidelines 31-62-1426, amounted to Euro 531,622 thousand; this figure also includes amounts due to shareholders for dividends already approved during the year but not yet paid, amounting to Euro 59,688 thousand.

The following tables show the change in the net financial position in 2025 compared to 2024:

NET FINANCIAL DEBT	2025	2024
Cash and cash equivalents	62.576	27.130
Cash and cash equivalents	**62.576**	**27.130**
Current account liabilities	(224.119)	(108.551)
Mortgage loans - current portion	(13.245)	(58.196)
Payables for rights of use - current portion	(4.989)	(2.171)
Payables for dividends to Municipalities	(59.688)	(65.800)
Current net financial debt	**(302.041)**	**(234.718)**
Mortgage loans - non-current portion	(175.277)	(111.570)
Bonds - non-current portion	(104.600)	(55.140)
Payables for rights of use - non-current portion	(12.281)	(2.773)
Non-current net financial debt	**(292.157)**	**(169.483)**
Total net financial debt	**(531.622)**	**(377.072)**

The Group continues to monitor the market in order to optimise the composition of its debt both in terms of diversification of sources and duration. During 2025, the Group entered into an NPA (Note Purchase and Private Shelf Agreement) with one of the main foreign funds for a total amount of Euro 200,000 thousand, for a maximum amount of up to USD 200,000 thousand; a first tranche of Euro 50,000 thousand at a fixed rate was drawn down, which will be repaid by 2037, with the transaction aimed at supporting the 2025-30 Business Plan. The Group also obtained new bank loans for Euro 150,000 thousand.
During the 2025 financial year, the Parent Company confirmed its A3.1 credit rating, demonstrating the Group's financial strength and its ability to meet financial obligations with a low level of credit risk; this rating places the Group within the area classified as secure. In addition, last November 2025, the Parent Company Magis S.p.A. obtained an upgrade to its sustainability rating thanks to the "A - High" assessment issued by CERVED Rating Agency, improving the previously obtained score (BBB) in recognition of its high capacity to manage ESG risk factors and opportunities.

Cash flow analysis	2025	2024
Gross self-financing from operations	208.754	192.729
Cash flow from changes in NWC	(19.699)	25.262
Cash flows from other operations	(39.077)	(55.655)
Total operating cash flows	**150.008**	**162.336**
Cash flow from investment activities	(247.603)	(138.161)
Cash flow from financial activities	133.039	(23.833)
Net cash flow	**35.444**	**343**
Initial cash and cash equivalents	**27.132**	**26.790**
Closing cash and cash equivalents	**62.576**	**27.132**

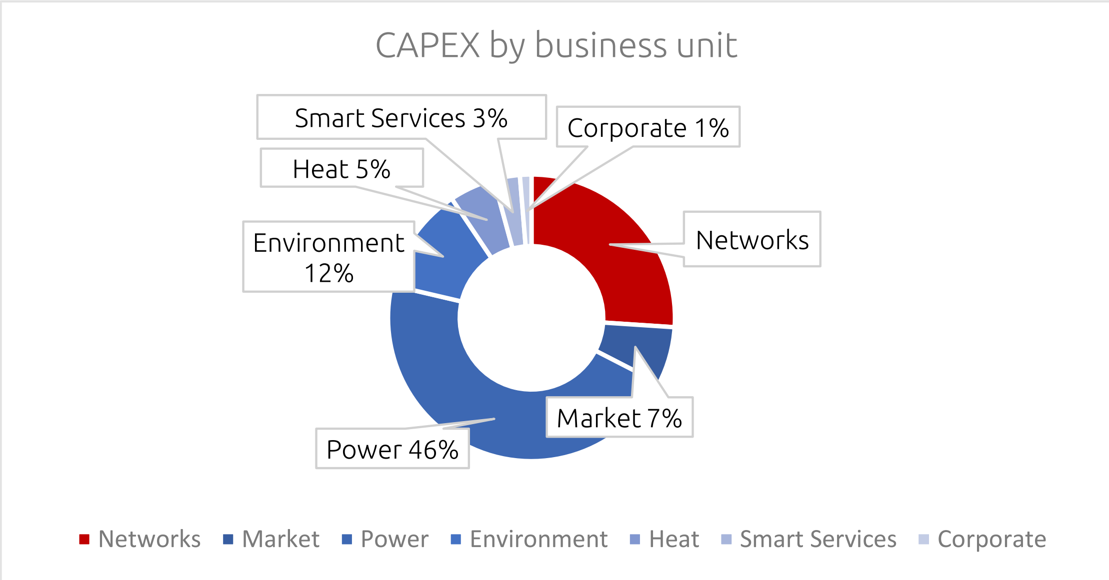


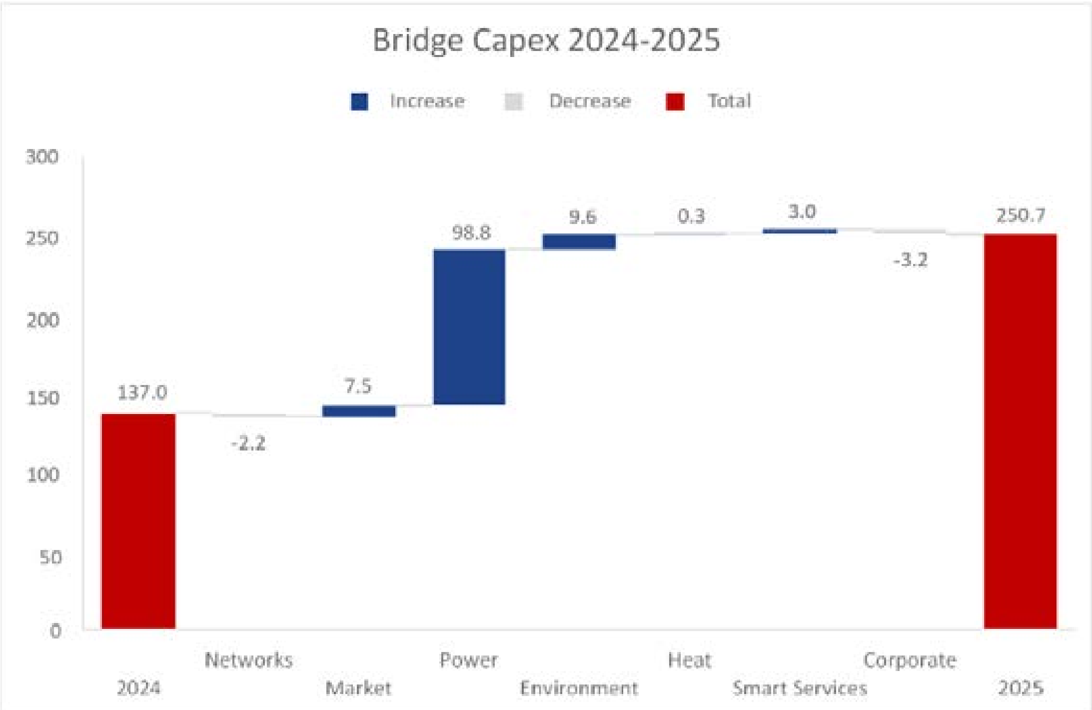
3.3. Investments

Investments, a strategic priority of the Magis Group, amounted to Euro 250,692 thousand in 2025, up 83% compared to 2024.

In particular, around Euro 65,924 thousand was invested in the upgrading, extension and digitisation of the networks, Euro 31,840 thousand in the environment sector, mainly intended for the renewal and increase of the vehicle fleet and over Euro 6,174 thousand in smart services, in particular for the renewal of public lighting using LEDs, as well as in the telecommunications network and the electric charging infrastructure. Euro 24,451 thousand was invested in renewable generation and cogeneration plants, Euro 11,460 thousand in the new customer billing system that came into operation in March 2026, and Euro 4,649 thousand in renewable hydrogen development and production plants for sustainable mobility. Within the corporate area, significant investments were also made in ICT (Euro 2,572 thousand) and in relation to corporate assets (Euro 2,672 thousand). Lastly, Euro 93,840 thousand was invested in the acquisition of 100% renewable-source plants, in line with the objectives of the 2025-2030 Business Plan, which provides for the implementation of the energy transition.

The following is a graphic breakdown of the investments by Business Unit.





3.4. Human resources

The 2025 financial year was characterised by initiatives aimed at building and supporting the objectives of the 2025-2030 Business Plan.
The 2025 recruitment plan therefore had the following objectives:

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

The training plan ensured mandatory training on workplace health and safety, as well as technical training aimed at preserving the technical and professional skills of all categories of employees.
An initial training course on Artificial Intelligence and Copilot was delivered, and a community open to all Magis Group employees was launched for those who, regardless of their role, requested a Copilot licence. Training initiatives were launched to strengthen the feedback-based leadership model.

Investments in staff development ensured continuity with the processes established in previous years.

- Onboarding process that supports all new hires throughout their first year. The process includes the delivery of a welcome kit, the organisation of the first day's agenda, the digitalisation of recruitment documentation, the distribution of short video modules designed to communicate key information about the Group and its values, a digital tracking process covering employee touchpoints involving the individual, their manager and the Organisation and Development team, two dedicated meetings — the "New Joiners' Coffee" and a visit to Gruppo Magis facilities. Each new hire is paired with a Buddy, a Group employee who has made themselves available to support and guide colleagues, including on informal matters, during their initial period with the company.
- The "Corporate Erasmus" project enabled 31 employees in 2025 to spend a short period within a different business function, working on topics unrelated to their day-to-day activities.
- The VOLT UP < 40 project, aimed at developing individual skills and targeted at all Magis Group employees under the age of 40 holding technical qualifications or degrees. In 2025, the project continued with the creation of a VOLT UP Academy for 20 Magis Group employees who, during the year, received training initiatives and online coaching, and took part in reverse mentoring activities and working groups.
- VOLT UP >55 project, aimed at engagement and skills development for clerical staff over 55. During the second half of 2025, the assessment methodology and the scope of the project were defined, and the supplier was identified who, in 2026, will carry out the assessment and identify development and engagement actions.

In 2025, the inclusion projects designed in previous years were consolidated with the launch of the "Energeticamente" project, open to all Magis Group employees, with training actions and internal communication on topics related to wellbeing, harassment, inclusive language, and the availability for all Group employees of a Psychological desk.
In addition, continuity was ensured for the management system relating to the Gender Equality Certification (UNI PDR 125 2022) for Magis S.p.A., with its extension to Magis Smart S.r.l. and Magis Energia S.p.A..

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In 2025, the Group also continued its professional and career development activities through a well-structured action on salary increases. The compensation process has been fully digitalised.
In 2025, momentum was given to Internal Communication activities which, in addition to ensuring the widespread dissemination of information and the Group's projects to all employees, contributed to the development of the Business Plan and the dissemination of its objectives at all organisational levels.
As far as industrial relations are concerned, continuity was ensured for the schemes introduced in previous years aimed at promoting corporate wellbeing and for the agreement on the Performance Bonus, which also provides for its optional conversion, for employees, into welfare goods and services.
During 2025, bilateral joint committee meetings continued, as envisaged in the "trade union relations" protocol of 1 September 2021, with the function of developing proposals or actions for taking a more in-depth look into three specific areas: training; health, safety and the environment; welfare, promotion of equal opportunities, inclusion and diversity.

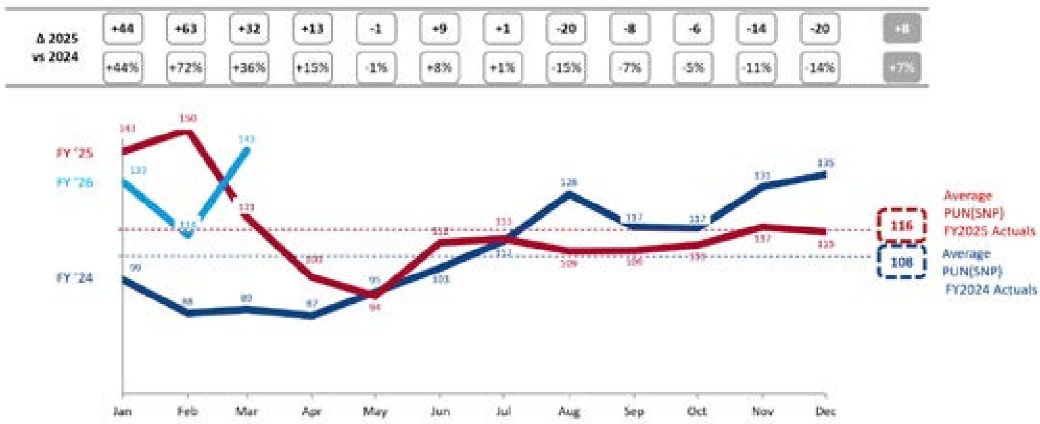
3.5. Significant events after the reporting period

Energy product prices and the continuing uncertainty related to the conflict in the Middle East

After the end of the financial year, the international energy context was significantly affected by the evolution of the conflict in the Middle East area.
The military operations and geopolitical tensions affecting the Persian Gulf region led to significant disruptions in international energy markets, with temporary interruptions to flows of oil and energy products through the Strait of Hormuz, one of the main logistical hubs of global energy trade.
According to analyses by the International Energy Agency, disruptions to maritime traffic and the region's energy infrastructure resulted in a temporary reduction in global oil supply estimated at around 8 million barrels per day, generating a significant increase in volatility in the energy commodity markets.
Geopolitical tensions also caused sharp fluctuations in oil prices, with the Brent price in the weeks following the outbreak of the conflict recording increases of up to nearly 120 dollars per barrel, before stabilising at levels that were nonetheless higher than the averages for the previous year.
As at the date of preparation of this report, although a situation of high geopolitical uncertainty persists, there have been no further events after the end of the financial year that would require amendments to the carrying amounts in the financial statements as at 31 December 2025.
The chart below highlights the trend of the PUN – Single National Price during the first months of 2026, which stands at an intermediate level compared with previous years: values are in fact lower than those recorded in the first quarter of 2025 (with the exception of March), but significantly higher than those observed both in the final quarter of 2025 and in the first quarter of 2024. It also highlights the sharp volatility in electricity prices, which are strongly influenced by the current socio-political context.

Single National Price Trend

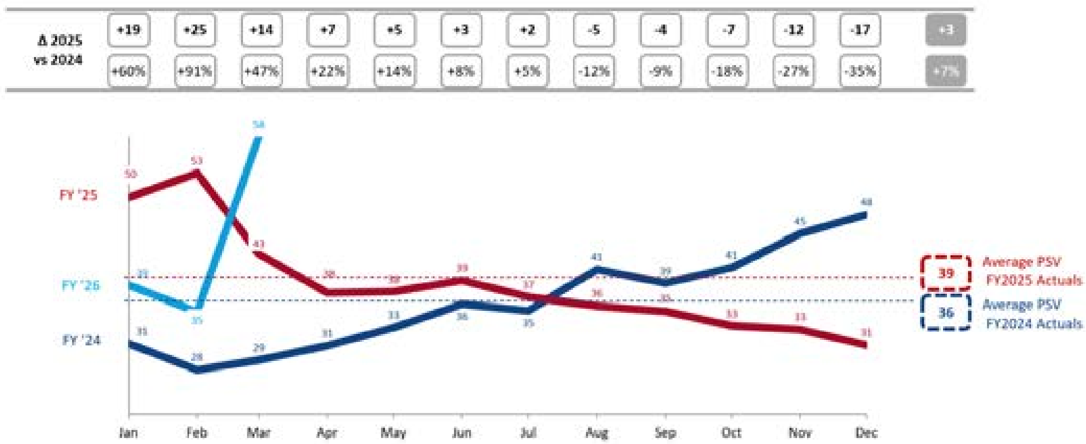
Actual 2025 vs. Actual 2024 and first quarter 2026 [EUR/MWh; %]



A similar situation can be observed in gas prices on international markets; the chart below illustrates the trend of the PSV from January 2024 to 31 March 2026.

PSV Index trend

Actual 2025 vs. Actual 2024 and first quarter 2026 [EUR/MWh; %]



4. Summary of economic performance by Business Unit

Power Business Unit

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

Production

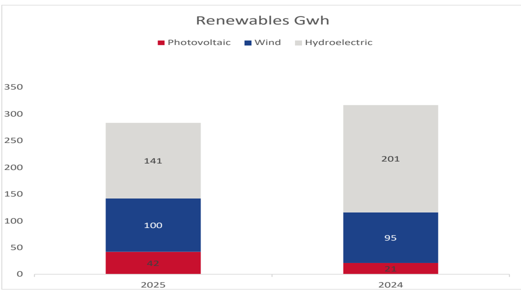
In 2025, the Power BU recorded a decrease in production compared to the previous year. The photovoltaic segment made a strong positive contribution, offset by the decline in the hydroelectric segment compared to last year's excellent performance and by a slightly weaker wind segment, which saw a recovery in the last months of the year thanks to the acquisitions of three new companies. The thermoelectric segment recorded production in line with last year. The breakdown by sector is provided below:

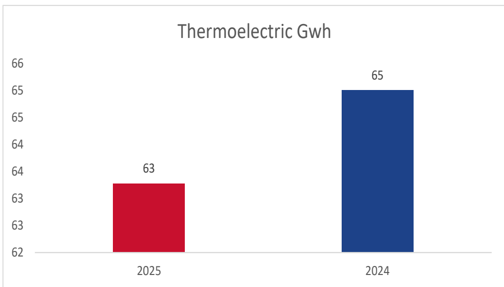
Hydroelectric sector: in 2025, production in the hydroelectric segment was lower than in 2024, especially for the two reservoir plants of Maso Corona and San Colombano, while still remaining well above the historical annual averages. 2024 was an extraordinary year for the hydroelectric segment, with very high production, especially in the first six months. The run-of-river plants of Belfiore and Diga Chievo recorded production higher than last year, while the Tombetta plant showed a trend similar to the reservoir plants, with production lower than in 2024 but higher than the historical averages for the period.

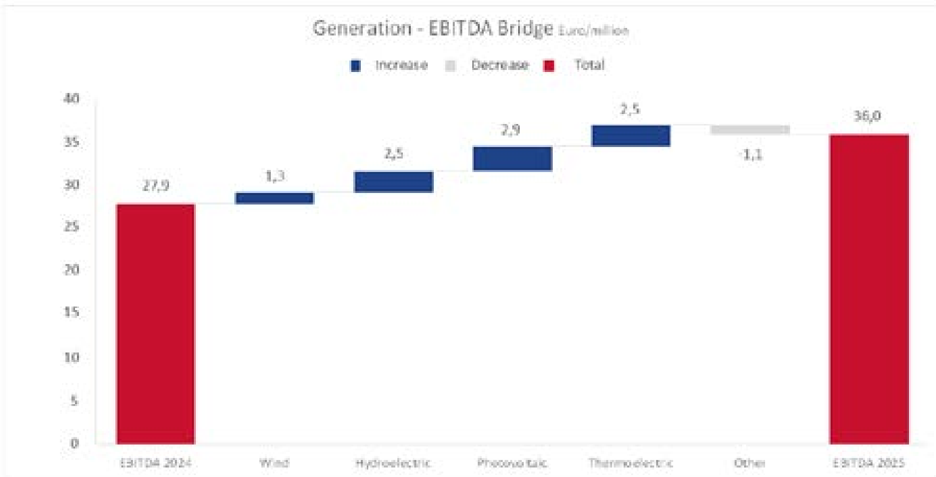
Wind sector: production was slightly higher than in 2024, with an excellent January offset by a February characterised by low wind speeds. The subsequent months from March to September, although with a lower weight, were also characterised by low wind speeds, which impacted production in the segment.
By deed drawn up on 26 November 2025, Magis Power S.r.l. acquired all the equity interests in Delsis S.r.l., Manfredonia S.r.l. and Carapelle S.r.l., which operate in the renewable energy generation sector, increasing the installed capacity of the wind segment by a total of 52.3 MW (Delsis: 26 MW; Manfredonia: 4.4 MW and Carapelle: 21.9 MW).
Photovoltaic sector: production was significantly higher than last year thanks to the connection of the Borgonovo and Calendasco plants at the end of 2024, for a total additional installed capacity of 9.5 MW. Overall, irradiation recorded in the first and third quarters was lower than the historical averages for the period, and this impacted production in the comparison with plants that were already in operation last year, while, considering the second quarter, production performance was in line with expectations. The connection of the photovoltaic plant in Carlino in February is also noted, with an additional installed capacity of 2.7 MW.
By deed drawn up on 23 October 2025, Magis Power S.r.l. acquired all the equity interests in RF-Sirio S.r.l. and RF-Vega S.r.l., which operate in the renewable energy generation sector, further increasing installed capacity by a total of 15 MW (Sirio: 7.6 MW; Vega: 7.4 MW).

Thermoelectric sector: production at the thermoelectric power plant on the Mincio was markedly better than in the first quarter of last year. In particular, in February, the plant also carried out start-ups for tuning tests on the Turbogas unit. In March, the energy scenario, characterised by a low-payoff combination of the PUN, PSV and CO2 quota indices, did not allow the plant to be started up throughout the month. This energy scenario also continued throughout the second quarter, and in the months of August and September, allowing further start-ups of the plant only in July. The plant was subsequently started up again in the last two months of the year.

Income Statement	2025	2024	Change	Change %
Value of production	**74**	**65**	**9**	**15%**
Costs of production	**(39)**	**(37)**	**(1)**	**4%**
EBITDA	**36**	**28**	**8**	**29%**
EBITDA Margin	47%	43%		
EBIT	**24**	**17**	**7**	**41%**
EBIT Margin	31%	25%		
EBT	**23**	**17**	**6**	**38%**
EBT Margin	31%	26%		
Tax for the year	(7)	(5)	(2)	40%
Profit	**16**	**12**	**4**	**37%**
Profit/VoP	22%	18%		

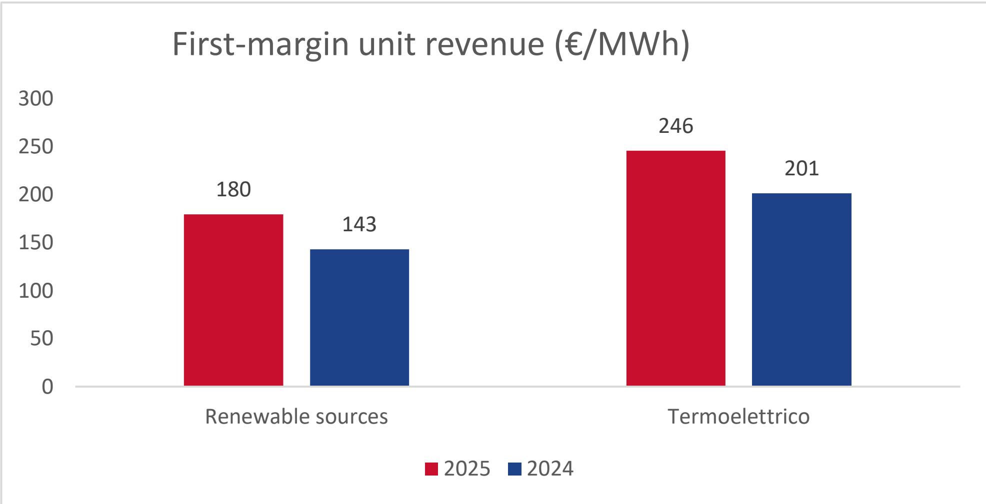






EBITDA amounted to Euro 36 million, compared to Euro 28 million in the previous year.
Looking at the impact of RES production on revenue, in 2025 there was a decrease in hydroelectric production (-30% vs 2024) and an increase in photovoltaic production, mainly due to the new Juwi02 and Juwi08 plants – acquired at the end of 2024 – reaching full operating regime and to new acquisitions (Sirio and Vega) completed in the last quarter of 2025 (+99% vs 2024); wind production increased thanks to the acquisition of new plants in the last quarter of 2025 (+5% vs 2024).

Production from thermoelectric sources was 3% lower than in 2024; unit revenue improved, offsetting the increase in unit costs for natural gas and the cancellation of CO2 quotas.
unit first-margin revenue in the renewable energy sector increased from Euro 143/MWh in 2024 to Euro 180/MWh in 2025, while in the thermoelectric sector prices rose from Euro 201/MWh in 2024 to Euro 246/MWh in 2025.

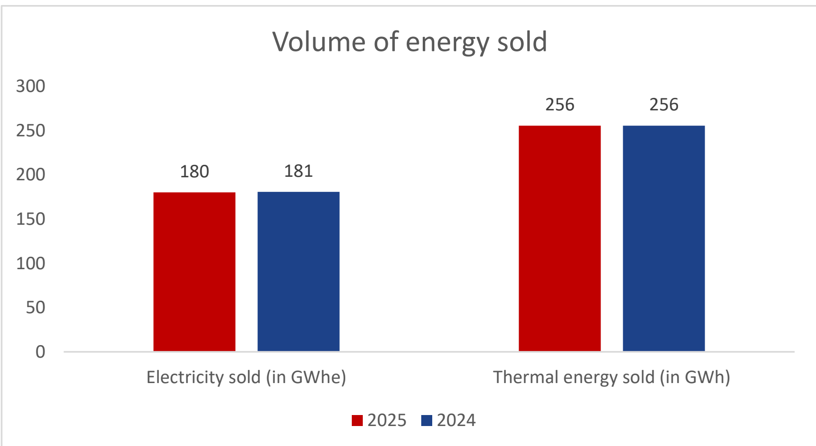


Heat Business Unit

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

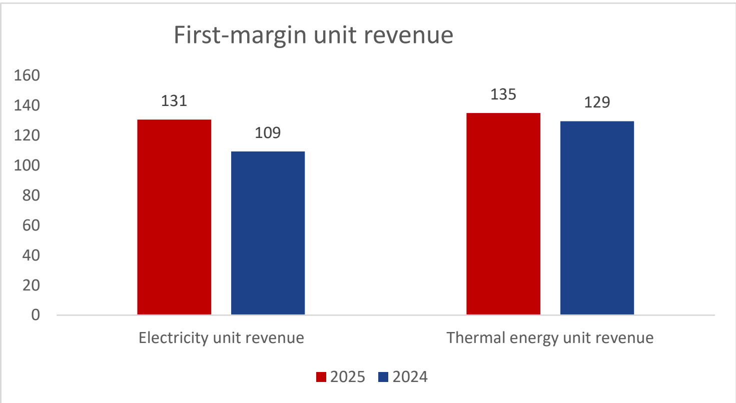
Production

As regards the Company's production, 2025 was characterised, like recent years, by milder temperatures than the historical averages for the period, especially in January and December. Demand for thermal energy, in fact, was in line with last year.
Electricity production was slightly lower than in the previous year, with an excellent first half of the year offset by lower production in the second half.
In particular, in October and November, the Borgo Trento plant, which historically accounts for about half of the Company's electricity production volumes, saw completion of the works to install the two new engines, with consequent repercussions on production, which started operating at full regime from mid-December.



Income Statement	2025	2024	Change	Change %
Value of production	**62**	**56**	**6**	**10%**
Costs of production	**(55)**	**(52)**	**(4)**	**7%**
EBITDA	**6**	**4**	**2**	**46%**
EBITDA Margin	10%	8%		
EBIT	**3**	**1**	**2**	**358%**
EBIT Margin	4%	1%		
EBT	**2**	**-**	**2**	**-54756%**
EBT Margin	3%	0%		
Tax for the year	(1)	-	(1)	-2209%
Profit	**2**	**-**	**2**	**5599%**
Profit/VoP	2%	0%		

The item "sales revenues" comprises revenue from electricity generation by cogeneration plants (+19% compared with 2024) and revenue from thermal energy production for district heating services (+4% compared with 2024).
EBITDA amounted to Euro 6.450 million, up on the previous year (Euro 4.411 million).
The volumes of thermal energy sold are in line with 2024, while the volumes of electricity fed into the grid were slightly down (-2%).
First-margin unit revenue is up on 2024 in both the thermal and electricity segments. In the thermal sector, values increased from €129/MWht in 2024 to €135/MWht in 2025, while in the electricity sector they rose from €109/MWh in 2024 to €131/MWh in 2025.
The increase in costs for raw materials and consumables is mainly connected to the increase in the gas purchase cost for the operation of the plants (energy scenario effect against slightly lower consumption).
The Company has recognised a provision for future charges pursuant to Authority Resolution "638/2023/R/tlr". Instead of the revenue cap set in paragraph 4.1 of the resolution, Article 7.1 allows operators to apply an annual safeguard cap of 90% of pre-regulatory revenue to the actual annual revenue for providing the district heating service. Accordingly, in the 2025 financial statements, Magis Calore recognised, within revenue from thermal energy, an amount of Euro 3,872 thousand in a provision for future charges, pending further clarification from the Authority on the effective application of the resolution in question.



Activities relating to the revamping of the Borgo Trento cogeneration plant have been almost entirely completed, involving the replacement of the combined-cycle gas turbine unit with two Otto-cycle engines of approximately 12.6 MWe each, together with the installation of thermal energy storage tanks with a total

capacity of approximately 800 cubic metres. The plant began operating at full regime with only one engine from the start of the 2025-2026 thermal season. Technical testing is currently being finalised.
The upgrading works is also progressing for the repowering of the Viale Cricoli plant in Vicenza, aimed at increasing the share of heat produced from renewable geothermal sources.

Within the context of the Golosine district heating network, the infrastructure extension project was completed during 2025, covering a total of 3.53 km divided into two lots. This work will enable the connection of two major property complexes managed by the Municipality of Verona.

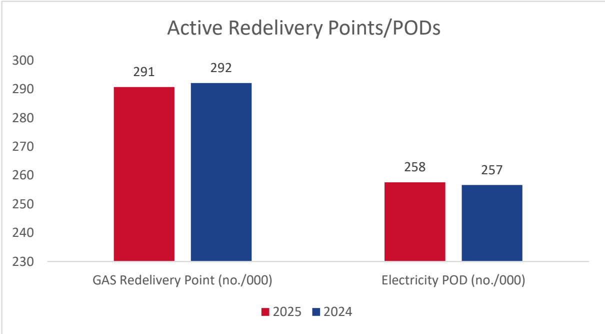
Finally, the definitive project for the construction of five geothermal doublets for the Borgo Trento, Forte Procolo, Centro Città, Golosine and Banchette plants located in the Municipality of Verona was submitted to the Regional Authority. The use of geothermal energy will involve extraction of the heat transfer fluid at depths between 2.8 and 3.0 km, before being reinjected into the subsoil.

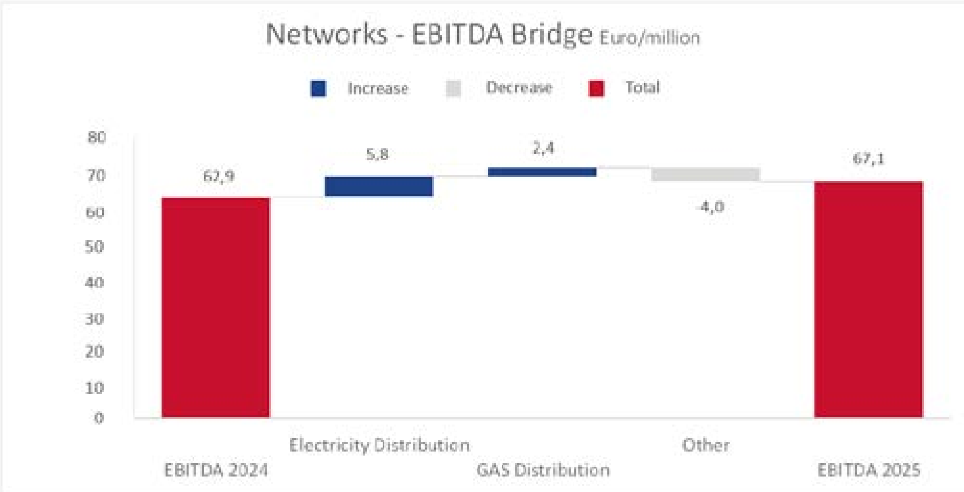
Networks Business Unit

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

Income Statement	2025	2024	Change	Change %
Value of production	**156**	**145**	**11**	**8%**
Costs of production	**(89)**	**(82)**	**(7)**	**8%**
EBITDA	**67**	**63**	**4**	**7%**
EBITDA Margin	43%	43%		
EBIT	**36**	**33**	**3**	**10%**
EBIT Margin	23%	22%		
EBT	**31**	**27**	**4**	**17%**
EBT Margin	20%	18%		
Tax for the year	(9)	(7)	(2)	26%
Profit	**22**	**19**	**3**	**13%**
Profit/VoP	14%	13%		

As at 31 December 2025, revenues for the period amounted to Euro 156 million, up (+8%) on the previous year.
EBITDA reached Euro 67.1 million in 2025, a significant increase of 7% compared to the previous year. The increase is attributable – as regards electricity distribution – to higher 2025 revenue recognised under the new TIROSS tariff method and to the TIROSS 2024 true-up. For gas distribution, to tariff true-ups communicated by ARERA and relating to the years 2020-2024.
There was a slight decrease in active gas redelivery points and an increase in electricity delivery points (PODs).





In 2025, total investments amounted to Euro 65.3 million. These focused primarily on maintaining operational capacity, improving the resilience and efficiency of existing infrastructure, as well as supporting the energy transition.

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

Electricity Distribution

Investments in electricity infrastructure included:

Medium and low voltage network:

Extension of MV and LV networks;

- Continuation of the maintenance and renewal plan for secondary substations, with extension of the remote control system, and the scheduled replacement of plant components (transformers, MV switchboards, LV circuit breakers, etc.);
- Continuation of the plan to replace overhead lines with underground cable;
- the development of the medium-voltage network infrastructure.

High-voltage infrastructure:

- Primary substation known as Marangona: preparatory work continued for the construction of the new PS (slowed down by the discovery of two Second World War unexploded ordnances); as at 31/12/2025, some works have been completed (foundations, switchgear room, fencing, installation and testing of MV switchgear); the technical specifications of the components (SAMA) have been approved; the connection (compatible with Terna's requirements) is expected by the end of 2026, as is the completion of the activities;
- Decommissioning of the 50 kV section of the Monte Crocetta (VI) plant;
- Completion of the refurbishment of the civil works and electromechanical works of the Mentana and San Silvestro CSTs in Vicenza

Gas Distribution

Initiatives in the gas sector included:

- Continuation of the project for the replacement of ageing pipelines, including the renewal of the related connections;
- Implementation of modernisation and balancing measures for the networks, including (loop closures, extensions and upgrades) and safety measures (scheduled replacement of customer connections, cathodic protection);

Metering

- Continuation of the large-scale replacement of traditional gas meters with latest-generation smart meters featuring remote control capabilities, aimed at increasing network resilience and achieving energy savings;
- Revision activities continued, making up to three further replacement attempts for the remaining 1G electricity meters, managing to bring the update percentage to 99% with new-generation smart meters;
- Completion of the installation of 169 MHz RF modules, applied to all concentrators and with the antennas positioned outside to further enhance signal quality

Digitisation and Technological Modernisation

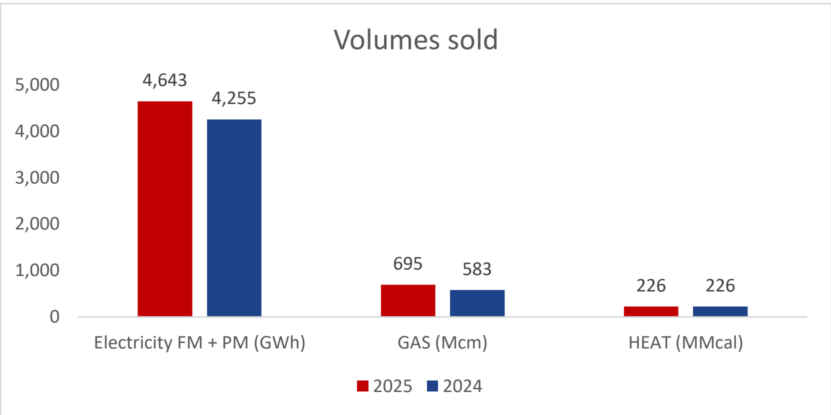
In 2025, the Business Unit also:

- Continued the work on the fibre-optic connection to the remote-control network for the secondary substations and strategic distribution centres;
- Continuation of the implementation of the "Cybersecurity" project;
- Integrated ancillary functionalities of the ADMS system for network modelling and fault management on mobile devices, and started staff training and the review of business processes for their commissioning.

Market Business Unit

The Market Business Unit, which is the main commercial division for the sale of natural gas, electricity and district heating, manages around 937,000 active supply points and has a presence throughout Italy, serving household, business, institutional and public administration customers, and wholesalers. The Group's Market segment is characterised by a strong customer focus and a commitment to supplying high value-added services.

During the year, Magis Energia S.p.A. completed the acquisition of the Global Power Group, active in the sale of electricity and gas, with around 50,000 supply points throughout Italy, thus strengthening the strategic positioning of the Magis Group nationwide. The company also acquired the remaining interests equal to 40% of the share capital of its subsidiary Cogaspiù Energie S.r.l.



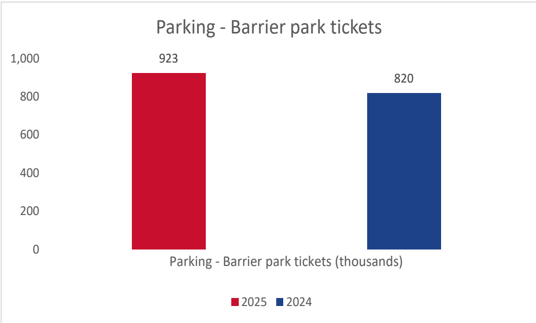
Income Statement	2025	2024	Change	Change %
Value of production	**1.879**	**1.667**	**211**	**13%**
Costs of production	**(1.799)**	**(1.591)**	**(208)**	**13%**
EBITDA	**80**	**76**	**3**	**4%**
EBITDA Margin	4%	5%		
EBIT	**64**	**66**	**(2)**	**-3%**
EBIT Margin	3%	4%		
EBT	**66**	**67**	**(2)**	**-3%**
EBT Margin	3%	4%		
Tax for the year	(21)	(20)	(1)	5%
Profit	**45**	**48**	**(3)**	**-6%**
Profit/VoP	2%	3%		

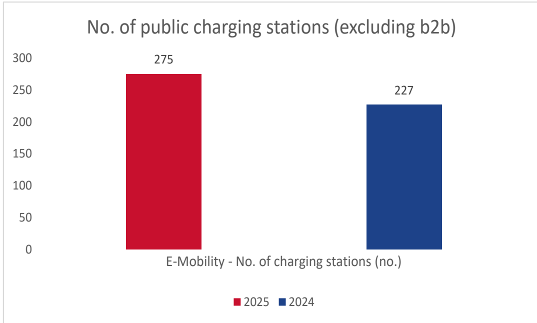
EBITDA increased in 2025 by 4% compared to the previous year, driven not only by the growth in the customer base but also by the improved performance of the energy management area, achieving the objective of minimising risks related to price volatility and significantly reducing purchasing spreads.
Commercial development activities continued, alongside strengthening of channels, digital transformation, and improvement of management systems and back-office processes, which contributed to the consolidation of the operating and commercial indicators that characterise the performance of the Business Unit.

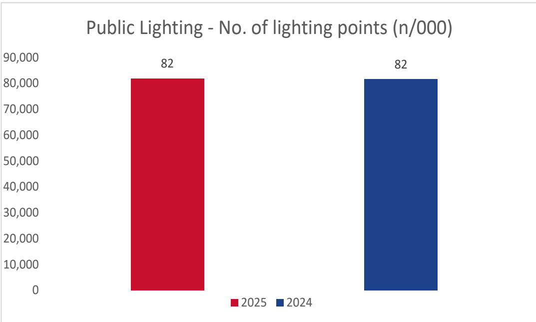
In 2025, the commercial collaboration with major Associations and Consortia operating at national level in the business, small business and residential segments was further strengthened and intensified, confirming the effectiveness of the commercial offerings.
The transformation of the application map known as "Sunrise" continued and is expected to be completed within the first months of 2026.
Investments for the year amounted to Euro 16.3 million, mainly driven by the Sunrise project.
Smart Business Unit
The Smart Business Unit operates in the areas of public lighting, telecommunications, parking, energy efficiency and e-mobility.

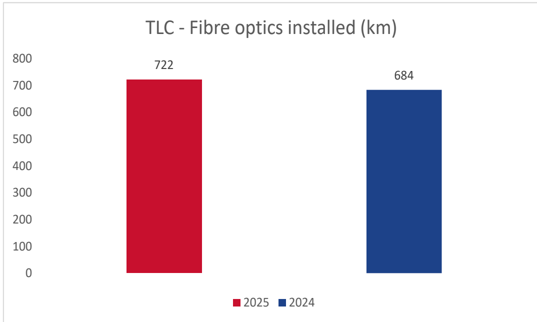
Income Statement	2025	2024	Change	Change %
Value of production	**25**	**20**	**5**	**26%**
Costs of production	**(19)**	**(13)**	**(6)**	**43%**
EBITDA	**6**	**7**	**-**	**-6%**
EBITDA Margin	24%	34%		
EBIT	**1**	**2**	**(1)**	**-36%**
EBIT Margin	5%	10%		
EBT	**1**	**2**	**(1)**	**-46%**
EBT Margin	4%	10%		
Tax for the year	-	(1)	-	-43%
Profit	**1**	**1**	**(1)**	**-47%**
Profit/VoP	3%	7%		

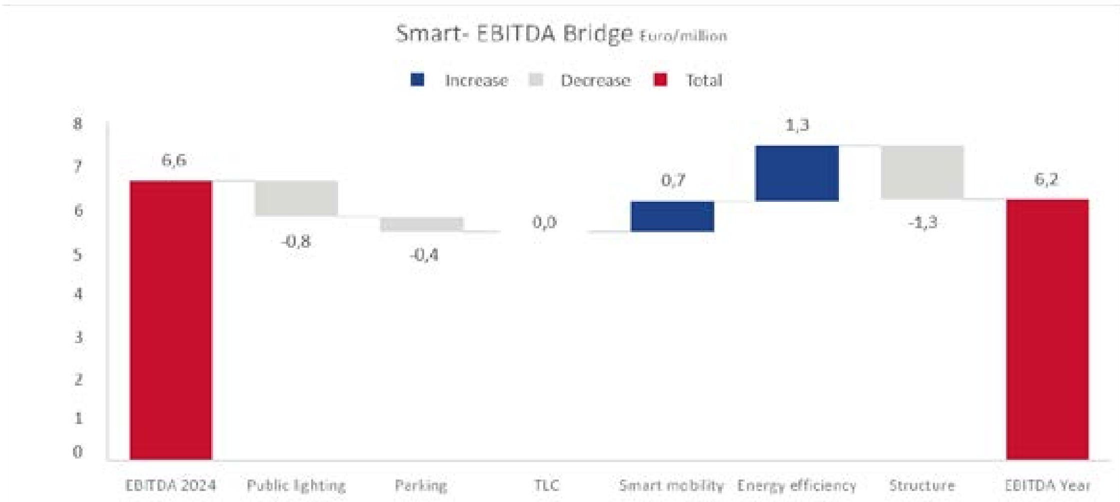
As at 31 December 2025, the financial statements reported a profit of Euro 778 thousand, slightly lower than in the previous financial year, after depreciation, amortisation, impairment losses and provisions amounting to Euro 5 million.
EBITDA amounted to Euro 6.2 million, equal to 24% of the value of production.











In 2025, the activities relating to the areas of energy efficiency and e-mobility made a positive contribution to the development of the Business Unit, strengthening its strategic positioning and laying the foundations for further growth opportunities.
In the field of energy efficiency, the Business Unit consolidated its role through the definition and filing of project financing projects, focused on efficiency and revamping works on existing plants, as well as on the implementation of continuous improvement plans and monitoring of energy performance. During the year, the works relating to the concession with the CAA Agroalimentare “La Valle della Pescara”, through the subsidiary AGISCO, were also completed, and the award of the tender for the energy efficiency upgrading of the buildings of the Istituto Assistenza Anziani of Verona was finalised, with the consequent establishment of SmartCare1 S.r.l. to manage the concession.

The e-mobility area recorded significant progress, making a meaningful contribution to the transition towards sustainable mobility. In 2025, the development of the public charging network continued, with an increase in installed infrastructure and more than 250 active charging stations as at 31 December 2025. The Business Unit also won major public tenders for the installation and management of charging stations in various municipalities, as well as for the construction of charging depots for e-buses as part of B2B projects and the electrification of local public transport.

Investments for the year amounted to Euro 7.4 million and accounted for 3% of the Group's general investments.

Environment Business Unit

During FY2025, the Environment Business Unit underwent several reorganisation processes, the most significant of which was the merger by incorporation of Transeco and DRV into Magis Ambiente, effective from 1 January 2025.

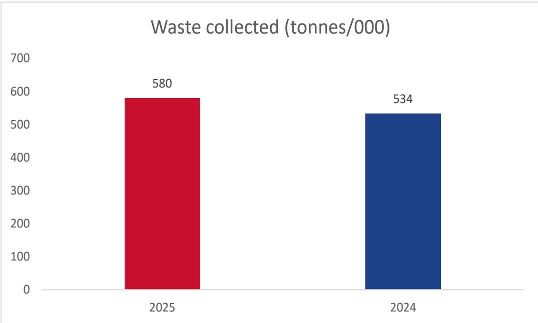
The performance of the Environment BU is substantially in line with 2024.
In the Collection area, positive performance is mainly driven by the extension of the service provided by Eco Tirana to the entire municipal territory of Tirana (almost 900 thousand inhabitants), which took place during 2024 but had a full impact in 2025. Waste collected in 2025 by companies operating in the Collection sector amounted to 580 thousand tonnes, compared to 534 thousand tonnes collected in 2024.
In the plant operations area, there was an increase in waste treated (245 thousand tonnes in 2025 compared to 229 thousand tonnes in 2024), but performance declined mainly due to the start-up phase and provisional operation of the new OFMSW treatment plant for biomethane production (which is expected to undergo final testing during 2026).

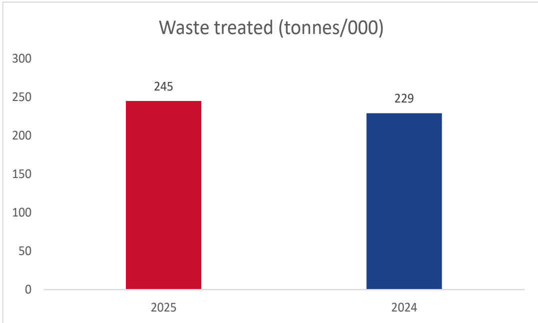
The forward-looking view of the Environment BU with reference to the "Collection" area is based on the awareness that the current regulatory framework will, sooner or later, lead SERIT and Valore Ambiente to exit the Magis Group, most likely to become "in-house" companies. At present, the process of SERIT's exit appears to be further advanced, with Bacino Verona Nord planning to complete the transition to in-house by the end of 2026.
On the plant operations side, the BU aims to carry out final testing of the new biomethane production plant and to continue on its development path of environmental plant infrastructure serving the local area.

Income Statement	2025	2024	Change	Change %
Value of production	**130**	**120**	**10**	**8%**
Costs of production	**(119)**	**(110)**	**(9)**	**8%**
EBITDA	**11**	**11**	**-**	**3%**
EBITDA Margin	8%	9%		
EBIT	**-**	**2**	**(2)**	**-94%**
EBIT Margin	0%	2%		
EBT	**1**	**4**	**(3)**	**-75%**
EBT Margin	1%	3%		
Tax for the year	(1)	(1)	-	13%
Profit	**-**	**3**	**(3)**	**-104%**
Profit/VoP	0%	3%		

As at 31 December 2025, revenue for the period amounted to Euro 130 million, up (+8%) on the previous year, mainly due to changes in the scope of operations managed by Eco Tirana, the increase in fees for the other companies in the Collection area following the tariff update as provided for by MTR2, and higher revenue from waste deliveries to the plants.
EBITDA amounted to Euro 11 million, showing a slight increase (+3%) compared with the previous financial year.

Investments for the year amounted to Euro 12.4 million, mainly for the purchase of vehicles and equipment for the collection and sweeping service, for the works to refurbish Valore Ambiente's premises and for the works to expand SIA's landfill.





5. Summary of the Parent Company's financial and balance sheet data

The financial statements of Magis S.p.A. have been prepared in accordance with the International Financial Reporting Standards in force at 31 December 2025. The following table shows the main income statement results achieved in 2025.

INCOME STATEMENT	2025	%	2024	%
Revenue	**72.770**	**100%**	**61.555**	**100%**
Revenue from sales and services	68.761	94%	58.983	96%
Other revenue	4.009	6%	2.572	4%
Operating costs	**59.431**	**82%**	**50.688**	**82%**
Costs for raw materials and consumables	3.287	5%	2.644	4%
Costs for services	49.651	68%	42.919	70%
Costs for the use of third-party assets	2.404	3%	2.308	4%
Other operating costs	4.089	6%	2.817	5%
Added value	**13.339**	**18%**	**10.867**	**18%**
Personnel costs	20.741	29%	20.462	33%
EBITDA	**(7.403)**	**10%**	**(9.595)**	**16%**
Amortisation, depreciation, and provisions	**13.560**	**19%**	**12.892**	**21%**
Amortisation and depreciation	13.178	18%	12.182	20%
Other provisions	382	1%	710	1%
Net operating income	**(20.963)**	**29%**	**(22.487)**	**37%**
Financial position	**45.524**	**63%**	**46.163**	**75%**
Income from equity investments	51.620	71%	53.458	87%
Financial income	8.963	12%	8.941	15%
Financial expenses	15.263	21%	16.236	26%
Adjustments to financial assets	204	0%	-	0%
Pre-tax profit (loss)	**24.561**	**34%**	**23.676**	**38%**
Income taxes	5.451	7%	6.582	11%
Profit (loss) for the year	**30.012**	**41%**	**30.257**	**49%**

- **Revenue** amounted to Euro 72,770 thousand, representing an increase of Euro 11,215 thousand compared with 31 December 2024;
- **Added value.** representing the difference between revenues and external costs, amounted to Euro 13,339 thousand, an increase of Euro 2,472 thousand compared with the previous financial year;
- The **value of amortisation and** amounted to Euro 13,178 thousand, slightly up on last year;
- **Income from equity investments** amounted to Euro 51,620 thousand, compared to Euro 53,458 thousand in the previous year;
- **Net financial charges** amounted to Euro 6,300 thousand compared to Euro 7,295 thousand in 2024;
- **Net profit** amounted to Euro 30,012 thousand, substantially in line with Euro 30,257 thousand recorded in the previous financial year.

In 2025, net operating income, which was negative, amounted to Euro 20,963 thousand, up on the 2024 value. The result in terms of net operating income is offset by income from equity investments for an amount of Euro 51,620 thousand, which refers to the 2024 results of the subsidiaries.
The tax benefit amounted to Euro 5,451 thousand (an increase of Euro 1,131 thousand compared to 2024) and was mainly composed of income from tax consolidation.
Magis S.p.A.'s 2025 net profit amounted to Euro 30,012 thousand, in line with 2024.

The financial position of Magis S.p.A can be summarised as follows in terms of changes in invested capital and sources of financing:

	2025	%	2024	%
INVESTED CAPITAL				
Net non-current assets				
Intangible assets	71.377		77.837	
Property, plant and equipment	96.187		92.212	
Equity investments and other non-current financial assets	888.218		671.707	
Deferred tax assets/liabilities	3.303		3.698	
Employee benefits	(5.767)		(5.801)	
Provision for risks and charges	(6.629)		(8.505)	
Other non-current assets/liabilities	(8.765)		(8.591)	
Total net non-current assets	**1.037.924**	**99%**	**822.557**	**99%**
Net operating capital				
Short-term assets				
Inventories	86		548	
Trade receivables	18.287		26.520	
Other current assets	24.398		42.153	
Total short-term assets	**42.771**		**69.221**	
Short-term liabilities				
Trade payables	(17.694)		(26.872)	
Other current liabilities	(14.524)		(37.377)	
Total short-term liabilities	**(32.219)**		**(64.248)**	
Total net operating capital	**10.552**	**1%**	**4.973**	**1%**
TOTAL INVESTED CAPITAL	**1.048.477**	**100%**	**827.530**	**100%**
SOURCES OF CAPITAL				
Equity				
Share capital	(95.588)		(95.588)	
Legal reserve	(19.118)		(18.574)	
Other reserves	(446.990)		(446.346)	
Profit (loss) for the year	(30.012)		(30.257)	
Total Equity	**(591.708)**	**56%**	**(590.766)**	**71%**
Net Financial Position				
Short-term net financial position	(202.127)		(72.932)	
Medium/long-term net financial position	(254.642)		(163.832)	
Total net financial position	**(456.769)**	**44%**	**(236.764)**	**29%**
TOTAL SOURCES OF CAPITAL AND FINANCING	**(1.048.477)**	**100%**	**(827.530)**	**100%**

6. Mandatory disclosures pursuant to Article 2428 of the Italian Civil Code

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

The controlling entities are the Municipality of Verona and the Municipality of Vicenza which, at 31 December 2025, held the total shares for a value of 61.2% and 38.8% of the share capital, respectively.

The Group exercised the exemption granted in paragraph 25 of IAS 24. Therefore, it does not have to make the disclosures listed in paragraph 18 of IAS 24 in regard to related party transactions and outstanding balances, including commitments to the City of Vicenza and its subsidiaries.

The transactions carried out with shareholders during the year were insignificant in value. In this regard, it is specified that:

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

Management and coordination activity

The Group is headed by the holding company Magis S.p.A., which carries out the main management and coordination activity for the leading Group companies.

Taking into account the matters described in the previous paragraph, during FY2025 Magis S.p.A. carried out management and coordination activities, pursuant to Articles 2497 et seq. of the Italian Civil Code, with respect to all of the following Group companies:

- V-RETI S.p.A., 99.83% owned
- Magis Energia S.p.A., 96.27% owned
- Magis Smart S.r.l., 100% owned
- Magis Calore S.r.l., 100% owned
- Magis Power S.r.l., 100% owned
- Magis Ambiente S.r.l., 100% owned
- Valore Ambiente S.r.l. - 100% owned company
- ECO TIRANA Sha - 49% owned investee
- CogasPiù Energie S.r.l., 100% indirectly owned
- Global Power S.p.A., 100% indirectly owned
- Global Power Plus S.r.l., 100% indirectly owned
- Agisco S.r.l., 51% indirectly owned
- Smart Care 1 S.r.l., 100% indirectly owned
- Consorzio Industriale Canale G. Camuzzoni di Verona Scarl, 75% indirectly owned
- Parco Eolico Carpinaccio S.r.l. - 63% indirectly owned
- Parco Eolico Riparbella S.r.l. - 63% indirectly owned
- Juwi Development 02 S.r.l., 100% indirectly owned (merged into Magis Power on 1 January 2026)
- Juwi Development 08 S.r.l., 100% indirectly owned (merged into Magis Power on 1 January 2026)
- Bortoli Total Green S.r.l., 100% indirectly owned (merged into Magis Power on 1 January 2026)
- RF Sirio S.r.l., 100% indirectly owned (merged into Magis Power S.r.l. on 1 January 2026)
- RF Vega S.r.l., 100% indirectly owned (merged into Magis Power S.r.l. on 1 January 2026)
- Delsis S.r.l., 100% indirectly owned
- Manfredonia Wind S.r.l., 100% indirectly owned
- Carapelle 1 S.r.l., 100% indirectly owned
- SERIT S.r.l., 99.74% indirectly owned
- Società Igiene Territorio S.p.A. - 100% indirectly owned
- Società Intercomunale Ambiente S.r.l. - 49% indirectly owned
- Blueoil S.r.l. (in liquidation), 100% indirectly owned

The management and coordination activity of the Parent Company has effect mainly through the appointment of the Sole Director or the Boards of Directors. Magis S.p.A., through its own structures, provides the subsidiary with support for the proper performance of its management and administrative activities, governed by intra-group service contracts. The relationship between each individual Company, the parent company and the other subsidiaries is based on fairness and transparency, compliance with Group policies, and the pursuit of efficiency and cost-effectiveness. As a result of the management and coordination activities exercised over each company, operations are conducted within the framework of an economic and financial budget shared with the parent company and in line with the operational planning and control instruments adopted at Group level. The parent company Magis S.p.A., within the scope of the law and the provisions of the Articles of Association, also provides support to the company's business through financial support and coordination activities. The management and coordination activity by the Parent Company is carried out in compliance with the decision-making, management and organisational autonomy of the Independent Manager, V-Reti S.p.A., which carries out its own assessments on the issues raised.

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

The holding company Magis S.p.A. does not hold any treasury shares or shares or quotas of the parent company entities

6.2. Expected development of operations (Article 2428, paragraph 3, point 6)

The evolution of the energy sector in the coming years will continue to be influenced by multiple factors of a macroeconomic, geopolitical and regulatory nature.
The main factors of uncertainty include, in particular:

- the evolution of the international geopolitical environment;
- the security of global energy supply routes;
- trends in international energy commodity markets;
- the pace of development of the energy transition.

In this context, one of the main risks to which the Group is exposed is the volatility of energy commodity prices, in particular natural gas and electricity. Trends in these prices are heavily influenced by exogenous factors such as geopolitical conditions, global energy demand dynamics and the availability of primary sources.
Recent geopolitical tensions in the Persian Gulf area have highlighted how geopolitical events can lead to sudden disruptions in global energy markets. The temporary reduction in oil production and the limitations in logistical flows through the Strait of Hormuz generated significant fluctuations in energy commodity prices and increased the level of uncertainty in international energy markets.
The Group constantly monitors developments in the energy markets and adopts risk management policies aimed at mitigating the impact of commodity volatility on its economic and financial results, including through procurement and hedging strategies consistent with industry best practices.
Overall, even in a context characterised by persistent elements of geopolitical and macroeconomic uncertainty, the Group believes it has an operating and industrial model capable of addressing the evolution of the energy market and seizing the opportunities associated with the energy transition.

The outlook for the individual business units in 2026 can be summarised as follows:

Networks BU

Remote Monitoring

During 2025, supplier Schneider Electric released additional ADMS system functionalities for network modelling, fault management on mobile devices (tablets) and call centre integration for the electricity network. During the process of updating internal processes and training internal and external staff (call centre), the need for certain adjustments emerged; these are being released, and it is expected that these functionalities will be fully activated by March 2026.

The harmonisation of the other telecontrol systems (gas network and plants under service arrangements) is still in progress. At the end of 2025, the migration of the Vicenza gas network was completed and, by mid-2026, the migration of the Verona gas network and the other plants is also expected to be completed.
From an IT security perspective, V-RETI S.p.A. is continuing the implementation of the "Cybersecurity" project, also in light of regulatory developments. In agreement with the company's IT functions, V-RETI's cybersecurity contacts were identified.
In 2026, a project is expected to be launched to separate the telecontrol data network (OT network) from the company IT network for the Vicenza area, similarly to what has already been done in previous years for the Verona area, for both resilience and cybersecurity reasons.
In parallel, the assessment and convergence activities between the practices and materials in use in Verona and Vicenza are continuing.

Natural gas distribution

The areas in which V-Reti is present are:

- Verona 1 - City of Verona and North;
- Padova 1 City of Padova and North;
- Treviso 1 South;
- Mantua 1 - City of Mantua and North - West;
- Vicenza 1 City of Vicenza and South-East;
- Vicenza 3 Astico, Leogra and Timonchio Valleys;
- Vicenza 4 - Valleys of Agno and Chiampo.

The deadlines for publishing tenders for awarding gas distribution at ATEM level expired some time ago. The contracting authorities have repeatedly extended the deadlines leading to the publication of the tenders themselves.
By executive determination dated 28 March 2019, the Vicenza 4 contracting authority initiated the restricted procedure for the public tender relating to the natural gas distribution service of the ATEM area, approving the tender notice. The deadline for submitting applications to take part has been extended to 31/3/2026.
With regard to the main projects, in 2026 the works for the new REMI - called "SERENELLI" - will be completed, which will replace the REMI called "Cà di David".
To reduce emissions, also in line with the European Regulation, network monitoring activities will continue using the Picarro system, with the aim of intervening on the assets that contribute most in terms of emission probability.

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The project for the planned replacement of obsolete pipelines will continue, together with the refurbishment of the related connections, in particular in Verona in the Cà di David district. In the Vicenza area, the replacement of PVC pipelines will continue, in accordance with the plan agreed with ARERA. In the Val Chiampo area, further investments will be assessed also in view of the area tender, and the extension to serve the municipality of Vestenanova will be completed.
At the same time, the activities to replace obsolete GRFs and the installation of new units will continue as part of the project to resolve interference with the new AVAC line.
For the two-year period 2026-2027, V-Reti has been awarded, through a tender procedure, the contract for the provision of maintenance and management services for networks under concession to the gas distributor Uniservizi in certain municipalities.
In addition, SGL Multiservizi entrusted V-Reti with the assignment for the "Emergency call-out and scheduled maintenance of the gas distribution network and plants" service for the municipality of San Giovanni Lupatoto (VR), also for the two-year period 2026-2027.

Natural gas metering: smart meters and remote management

The mass replacement of gas meters in the Goito network will be completed in 2026. For Verona and Vicenza, further revisit attempts will be carried out to complete the replacements also for certain inaccessible meters.

The maintenance work will continue for the replacement of batteries in large-calibre meter
volume converters (above G10), together with the implementation of the meter replacement plan in accordance with Ministerial Decree 93, which places the responsibility on the distributor for monitoring the metrological expiry and ensuring the verification and, where necessary, the replacement of the metering devices.

Distribution of electricity

With regard to the primary HV substations, the main interventions - aimed at increasing resilience and supporting the energy transition - will be:

- completion of works on the new Primary Substation called "Marangona" in Verona and "Pace 2" in Vicenza, to increase the resilience of the electricity network and support the energy transition;
- start of the design activities for the new Primary Substation called "Piazzon" in Vicenza;
- commissioning of the "Petersen coil" system at the Verona East Primary Substation, in order to improve service continuity and quality.

For the MV network, the following 20 kV extension works are planned, with the aim of increasing connection capacity:

- continuation of the construction of the 7 20 kV medium-voltage lines leaving the new Marangona primary substation to the south of the city of Verona;
- continuation of the construction of a new electricity infrastructure between the North Receiving Station and the Grezzana electrical station (VR);
- completion of the new Zamenhoff medium-voltage line, to meet the connection request from the Villaggio della Pace in Vicenza.

Among the ongoing initiatives on secondary plants (MV and LV infrastructure), the programme for large-scale voltage changeover is worth noting, with the transition from a three-phase 230 V system to a three-phase 400 V system, as well as renewals and upgrades of the 230 V LV distribution network, aimed at the voltage changeover.
The set of initiatives listed above is generally aimed at increasing service reliability and meeting future energy demand in urban areas undergoing expansion, development and redevelopment.

Market BU

In 2025, Magis Energia continued the transformation path started in previous years, focusing on defining the new cell-based operating model and setting up the organisational and technological conditions necessary for its adoption from 2026. The activities carried out included reviewing customer operations processes, sizing the cells and functional areas, mapping skills and defining operating requirements and the related monitoring KPIs. In parallel, the Sunrise project progressed, with the gradual roll-out of the new application systems – in particular CRM Salesforce, SAP IS U and Tibco for market communications – which constitute the enabling technological infrastructure for the new management model. In this context, dedicated training initiatives were launched for the roles identified as Team Leader, Energy Specialist and resources in the functional areas, with the aim of ensuring adequate preparation for the use of the new tools and for the adoption of the end to end operating logic typical of the cells. The analyses conducted also made it possible to estimate the need for internal resources and any additions through outsourcing, identifying potential coverage and the areas where realignment or strengthening measures will be required.
In the light of what has been achieved, 2026 will be the year in which the new organisational model is effectively rolled out.
The management of customer-facing processes will be progressively transferred to the cells, which will operate as autonomous units on defined customer clusters, assuming full responsibility for the entire processing cycle of requests.
Large-scale and recurring activities will instead continue to be overseen by specialised functional teams, consistent with the selected organisational scenario. The launch of the new systems will enable greater integration of information flows and improved governance of operational activities, reducing fragmentation

and promoting more structured performance control. The expected evolution will bring a significant change in day-to-day management, with a greater balance between internal skills and the contribution of outsourcers, and with the introduction of new management monitoring tools. Overall, 2026 will be characterised by the progressive stabilisation of the cell-based model, the bedding-in of operational responsibilities and the start of the first assessments of the maturity level achieved by the new units, within a framework focused on service continuity, process efficiency and the consolidation of the defined organisational set-up.

Smart BU

During 2025, the Smart BU continued the process of consolidating the innovative business lines which will be fully deployed during 2026, along with a corporate reorganisation process aimed at making the structure more closely aligned with the processes for approaching the relevant markets. In particular, during 2026, a positive EBITDA is expected for the business lines related to electric mobility and energy efficiency. The focus will also be on consolidating the traditional businesses by enhancing the BU's commercial presence and assessing M&A transactions.

Power and Heat BU

In 2026, renewable energy capacity is expected to increase by a further 63.96 MW, with the acceptance of some of the plants from the CYAN package acquired during 2025 and with the grid connection of the Trissino plant. In 2026, the Marghera Hydrogen Project (Green Hydrogen Venezia S.r.l.) will be completed with the commissioning of the plant. This project involves the construction of a green hydrogen production plant using electrolysis, to supply around 90 buses owned by AVM (Azienda Veneziana della Mobilità). The installed capacity will be 8 MW, covering a peak production of 2,000 kg/day.
The energy landscape of 2026 will be influenced by a number of factors, from geopolitics to technological and regulatory innovations, which could redefine the sector in significant ways. In particular, there are still in the new financial year considerable uncertainties arising from the significant fluctuations in the cost of energy on an international market that continues to face serious tensions.

Environment BU

The industrial landscape in 2026 will be influenced by multiple factors: the availability of capacity and tariff trends at final destination facilities; changes in the waste intercepted – both inbound to the plants and through intermediation – together with the related market dynamics; and, lastly, the energy scenario, which will continue to have a significant impact on the Company's overall costs.
With regard to the mechanical treatment and transfer facility in Cà del Bue (VR), with input flows substantially unchanged, a different type of treatment is noted for waste coming from the Municipality of Verona, for which, starting from 2026, only transfer activities will be managed.
For the other businesses, at present, no material changes or variations are noted in the activities managed.

7. Risk disclosures

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

Due to the nature of its core business and its operating environment, the Magis Group is exposed to various types of risk, including – by way of example and not limited to – operational, environmental and financial risks. To manage these risks, the Group has adopted an integrated enterprise risk management model inspired by market best practices and the main internationally recognised reference standards. Specifically, the model follows the guidance of the Enterprise Risk Management (ERM) – Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (C.o.S.O.) and also incorporates sustainability topics across the various environmental, social and corporate governance areas, also referred to as ESG – Environmental, Social & Governance, as provided for by the "Applying ERM to ESG-related Risks" guidelines of the World Business Council for Sustainable Development (WBCSD). In addition, starting from the 2024 financial year, the model has been progressively updated to comply with the regulatory provisions of European Union Directive 2022/2464 on corporate sustainability reporting (CSRD – Corporate Sustainability Reporting Directive), also taking into account the aspects arising from the Double Materiality Assessment relating to ESG impacts and to the financial risks and opportunities that characterise the Magis Group's business (so-called IROs Assessment).

The Magis Group's ERM model is developed and managed by the Risk Management function, which coordinates the entire risk management process. This process, with particular reference to the risk assessment activities adopted, is based on the international standard ISO 31000:2018 – Risk Management Guideline.

As part of strengthening risk culture and spreading the principles of Enterprise Risk Management within the organisation, during FY 2025 the Magis Group also implemented a structured ERM training programme, organised with different formats depending on professional profiles and organisational responsibilities. For further details on the contents and structure of the training programme, please refer to section 3.1 "Own workforce" of the Sustainability Reporting contained within the Report on Operations of these Consolidated Financial Statements.

In a context of growing uncertainty and complexity, the adoption of this approach represents a strategic element for the Group to prevent adverse events, mitigate their impacts and guide more informed decisions. It supports long-term planning, protects and creates value, fostering the timely identification of emerging risks and the secure management of opportunities. In addition, it strengthens governance and transparency through greater internal accountability and closer integration between governance functions, risk management and regulatory compliance, with tangible benefits in terms of efficiency and optimisation of business processes.

The Enterprise Risk Management process develops through integrated operating phases. The initial activity consists of identifying risks, classified into homogeneous categories according to their nature, origin and area of impact. This is followed by the assessment phase, based on a methodology that combines the probability of occurrence with the potential impact, in order to determine the level of inherent risk, i.e. the degree of exposure irrespective of the adoption of control or mitigation measures. This analysis constitutes a crucial step in defining the priority areas for intervention. Corrective and preventive measures are then designed and implemented, aimed at reducing the level of risk. The cycle is completed with continuous monitoring, aimed at ensuring the effectiveness of the measures adopted and the systematic updating of the company risk profile.

The model is subject to regular reviews, in line with the evolution of the Group and its operating environment. This process is supported by benchmarking initiatives and the planning and conduct of meetings and workshops with the Heads of Division and various internal stakeholders (or risk owners), who are responsible for defining and managing the operational activities relating to the management of risk events.

The ERM process also contributes to the achievement and maintenance of the certifications obtained by the Group's various subsidiaries (e.g. ISO 9001:2015 – Quality Management System, ISO 14001:2015 – Environmental Management System, ISO 45001:2018 – Occupational Health and Safety Management System, ISO 50001:2018 – Energy Management System).

Set out below is a detailed description of the main risks and uncertainties to which the Magis Group is exposed, together with the related mitigation measures.

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

In 2025, the Italian economy recorded a substantially stable trend, with GDP growth of +0.5%, in line with the modest increase observed in the previous two-year period. This trend was supported mainly by domestic demand, while net external demand made a negative contribution, penalised by trade tariffs and uncertain international growth prospects.

At the end of 2025, the inflation rate stabilised at around 1.5%, slightly up from values close to 1% in the previous year. GDP dynamics continue to be affected by an uncertain international environment and political trade tensions, which limit the recovery of exports and hold back competitiveness, also due to the appreciation of the Euro. However, domestic demand is showing signs of vitality: household consumption is gradually recovering, supported by improved purchasing power and a lower perception of uncertainty. On the investment front, measures under the National Recovery and Resilience Plan (PNRR) and less restrictive financing conditions provide a significant boost, with visible effects both in the construction sector and in the capital goods sector. Nevertheless, the impact of the end of incentives for residential construction and tensions in international trade are dampening the intensity of growth. Imports, on the other hand, maintain a sustained pace, driven by domestic demand, particularly in the capital goods segment.

Industrial production fell by 0.9% compared to the previous year, outlining an economy characterised by strong sectoral disparities. Overall resilience was supported solely by the energy segment, the only one to grow. In manufacturing, the positive performance of the pharmaceutical, food and electronics sectors is offset by the contraction of the traditional Made in Italy sectors, in particular fashion and transport equipment, which show structural weaknesses in an increasingly complex international competitive environment.

In summary, 2025 confirmed the structural difficulties of the Italian economy, characterised by modest growth, declining industrial production, stagnant net external demand and a recovery that is still fragile, supported mainly by the domestic component.

At European level, after the substantial interest rate cuts made in 2024, the European Central Bank maintained a monetary policy stance geared towards stability, leaving rates unchanged for most of 2025. This choice reflects a context in which Euro area inflation has progressively moved closer to the 2% target, while the economy is showing signs of stabilisation, albeit in the presence of external risks. Inflation forecasts for 2025 were revised slightly upwards, mainly due to rising energy and commodity prices. However, disinflationary pressures remain prevalent, supported by more moderate wage growth, stable inflation expectations and domestic demand conditions gradually normalising.

The global economic landscape in 2025 remains fragile and uneven, still heavily affected by factors of geopolitical, trade and climate instability. According to the United Nations World Economic Situation and Prospects 2025 report, despite signs of stabilisation, global growth remains moderate and below pre-pandemic levels. Advanced economies are slowing, while developing countries are struggling to regain ground, hindered by restrictive financial conditions, weak domestic demand and persistent geopolitical tensions. Added to this are structural challenges such as high debt, sluggish investment and vulnerability to climate change, which continue to weigh on growth prospects and the achievement of the Sustainable Development Goals (SDGs).

2025 was marked by a deep geopolitical recession. The absence of global leadership and the power vacuum left room for unstable and conflictual dynamics: more than 90 countries were involved in wars or armed conflicts, while global military spending reached record levels. In parallel, there was a boom in protectionist measures, with thousands of trade restrictions further fragmenting the international economic system.

On the Western front, unity in support of Ukraine remained a pillar, but growing pressure emerged for greater European strategic autonomy. The European Union showed a clear appetite for independent choices, while maintaining ties with its Atlantic allies. Meanwhile, the BRICS bloc (Brazil, Russia, India, China and South Africa) embarked on significant expansion, aiming to consolidate itself as a leading energy and industrial player, with ambitions ranging from the creation of a common currency to the reform of global institutions.

The rivalry between the United States and China has not eased. Despite a temporary reduction in tariffs, competition for control of emerging technologies, artificial intelligence and strategic supply chains remained intense. Relations between the two superpowers continue to represent a major factor of instability for the global economy. Trade tensions worsened with the introduction of new tariffs by Washington, which hit Chinese exports hard, and with retaliatory measures by Beijing. According to the International Monetary Fund (IMF), this escalation has already produced tangible effects: global growth has been revised downwards, with

an observed impact of 0.5% on world GDP. The IMF also warned that the unpredictability of tariff policies and political uncertainty are complicating the economic outlook, negatively affecting investments and supply chains. The risk of global-scale economic fragmentation is real, with potentially destabilising consequences for financial markets and for the most vulnerable economies.
Global supply chains have proved increasingly fragile, hampered by conflicts that have disrupted the normal transit of trade routes. This is compounded by a rigid sanctions regime, intensified fighting and hybrid operations, including cyberattacks on critical infrastructure. Russia is facing an internal crisis, while the Middle East is the scene of extremely high tensions: in the Gaza Strip and the West Bank negotiations are languishing, the humanitarian crisis is worsening and the regional implications extend as far as disrupting traffic in the Suez Canal. Instability is not limited to these areas. In Africa, coups and conflicts in Mali, Niger and Ethiopia are fuelling uncertainty. In the Red Sea, Houthi attacks on commercial vessels have made strategic passages unsafe, while in the Pacific Chinese incursions near Taiwan increase the risk of military escalation. Latin America is also not immune to political and social tensions, which intertwine with global dynamics of fragmentation.
In addition to fears linked to a global economy at risk – with protectionism on the rise, record debt levels, high inflation and the prospect of widespread recessions – there is also the shadow of institutional incapacity. Multilateral governance structures appear weakened, dysfunctions in bodies such as the UN and the WTO are multiplying, while social divisions are amplified by increasingly sophisticated disinformation campaigns.
Adding to these critical issues is a growing concern: the intensification of cyberattacks. Critical infrastructure, energy networks and financial platforms have become preferred targets, turning cyberspace into a new global battlefield.
Environmental issues also continue to threaten and significantly influence people's wellbeing and the health of our Planet. 2025 confirmed the alarming trend of recent years: Europe is warming at twice the global average rate, and Italy remains among the countries most affected by extreme weather events. According to the European Environment Agency, 80% of protected areas are in poor condition and land take in Italy has reached record levels. Our country ranks second in Europe for economic damage caused by climate events. In 2025 alone, extreme events, including droughts, floods and heatwaves, caused damage of around Euro 12 billion. Temperatures exceeded historical averages by more than 3°C in many regions, worsening the impact on public health, agriculture, infrastructure and productivity. In Italy, the consequences were particularly evident: prolonged drought in the Centre-South, fires in Sicily and Sardinia, overflows and flooding in Emilia-Romagna. These phenomena not only put ecosystems at risk, but also undermine the country's socioeconomic resilience, making it urgent to adopt more incisive mitigation and adaptation policies.
Within the context outlined above and also in view of the recommendations issued by the European (ESMA) and Italian (CONSOB) financial market supervisory authorities, the Magis Group confirms its commitment to continuously monitoring developments in the macroeconomic framework and the impacts of the climate crisis, in a year marked by strong geopolitical tensions, market volatility and an acceleration of the energy transition. The Magis Group's new 2025-2030 Business Plan provides for more than Euro 1.1 billion of investments aimed at the construction of renewable plants, the modernisation of electricity and gas networks, the development of carbon free district heating and the digitisation of services.
In line with the ESMA recommendations contained in the "Trends, Risks and Vulnerabilities Report" (September 2025), which highlights the high level of risk in financial markets linked to geopolitical instability and inflationary pressures, the Magis Group carries out continuous monitoring of economic indicators, commodity trends and interest rates, in order to mitigate negative impacts on its performance and on end consumers.

Economic and social-environmental context risk

The activities of the Magis Group are sensitive to economic cycles and to the general economic conditions of the countries in which it operates.
An economic slowdown, both at global and national level, could result in reduced consumption, leading to lower demand for electricity and gas and, consequently, adverse effects on economic results and growth prospects. In such a scenario, the implementation of planned development strategies could be hindered, slowing or complicating the roll-out of planned investments. Furthermore, energy demand may be affected by global macroeconomic events such as recessions, inflation or financial crises, creating uncertainty regarding the ability to attract the investments required for the maintenance and innovation of energy infrastructure.

The operations of sites and facilities, their profitability, the implementation of programmes for the adaptation or conversion of certain plants rather than for growth in certain business areas, planned by the Group, could be hampered by possible actions brought by some stakeholders that are not in favour of the presence of sites and facilities due to a negative perception of the Group's activities in the areas served. In particular, local resistance reflected in the NIMBY (Not In My Back Yard) effect can hinder efforts to build new public infrastructure, such as wind and solar photovoltaic plants. Such opposition often leads to delays and cost overruns caused by litigation, boycotts, or demonstrations. Alongside the NIMBY phenomenon, the so-called NIMTO syndrome (Not In My Terms of Office) has also emerged, referring to political representatives and public administrators who are reluctant to take decisions on major infrastructure projects for fear of jeopardising their current and future electoral consensus.

In particular, with regard to the Power, Heat, Environment, Networks and Market Business Units, it is worth pointing out the importance of the issue of managing relations with certain stakeholders relating to the management and maintenance of plant efficiency, the expansion and/or upgrade of existing plants, and the construction of new renewable energy production plants, such as the wind farm being built in Tuscany at Monte Giogo di Villore (FI). In July 2025, the wind project in fact suffered damage to machinery following two serious acts of sabotage by groups of masked individuals. During these malicious events, in addition to damage to the equipment and vehicles used to build the plant, the staff present were subjected to threats and intimidation. The events are being investigated by the judicial authorities and Digos. Following these episodes, the Group promptly initiated specific risk oversight and mitigation actions, strengthening coordination with the local Authorities and the Police and arranging dedicated security services to protect the site and the personnel working there. At the same time, additional physical security measures were implemented, including enhanced access-control systems, the installation of video-surveillance devices, as well as a 24/7 guarding service, in order to prevent the recurrence of similar events.

In parallel, in order to address these matters, the Group carries out ongoing dialogue with local communities, relevant Bodies and Authorities, including through participation in public debates, dedicated press conferences, and communication and awareness-raising campaigns. For new investment projects identified in its Business Plan, Magis Group arranges dedicated stakeholder engagement and early consultation initiatives to ensure that each undertaking is transparently communicated to the relevant parties, with the aim of fostering clarity and awareness among stakeholders such as local communities, public authority representatives, citizens' groups and associations. The Group is committed to ensuring clear and timely communication of all information, pursuing a twofold objective: on the one hand, ensuring full understanding and sharing of each initiative; on the other hand, gathering opinions and contributions, and promoting open, constructive dialogue that enables the consideration of a range of viewpoints and improves the proposed solutions, incorporating local needs from the preliminary stages of the new project.

The Environment Business Unit and Smart Business Unit, which operate in the public lighting sector and in the management of waste collection, street cleaning and other essential services for the environment, hygiene and urban maintenance, play a key role in the quality of urban life. In this context, it should be noted that the companies place strong emphasis on the quality of the services provided, aware that the efficiency and reliability of their activities are a decisive factor in ensuring the renewal of contracts in existing areas and success in securing tenders for these services in new locations.

To secure and grow the market presence in these services, and consequently preserve and expand the business, specialised organisational structures have been set up to continually monitor opportunities and to manage tenders efficiently and effectively. For further details on the risks associated with the management of the Magis Group concession portfolio, reference should be made to the section "Risks related to tenders for the award of new concessions".

Operating in the gas, energy, district heating and waste sectors, the Group is exposed to the risk of changes in the tariffs applied to end users. These tariffs, which are payable by consumers, are established and periodically updated by the competent authorities, such as ARERA (Italian Regulatory Authority for Energy, Networks and Environment), and may be subject to change following reviews triggered by investigations by the competent authority, in relation, among other matters, to efficiency improvements and the actual delivery of investments planned by the organisations managing the related services. To date, no significant reductions have occurred in the tariffs applied to certain types of services managed by the Group (such as parking, public lighting and waste disposal), as established under the contracts entered into with the Municipalities of Vicenza and Verona and with various other public entities. In 2025, however, a slight decrease in district heating tariffs was recorded in the Municipality of Verona. In particular, in September tariffs were reduced compared to the previous month, following the drop in the natural gas price component (CMEMm), in accordance with the updating method introduced by ARERA. Uncertainties regarding tariff determination, which may be adjusted upwards or downwards due to regulatory changes or amendments to contracts with the Municipalities, could therefore have an adverse impact on the Group's financial position. The relevant departments of the Group continuously monitor tariff developments and promptly update both current and projected tariff revenue calculation systems and methods, identifying any critical issues in terms of business and financial planning over the short, medium, and long term.

Lastly, the Group's operations could be adversely affected by the current instability in global credit markets. Difficulties in financial markets and the global economy, together with adverse market conditions, could result in increased volatility, diminished liquidity, widening credit spreads, and greater uncertainty in credit pricing. Fluctuations in investment markets, including changes in interest rates, exchange rates and returns on shares and equity investments, real estate assets and other financial instruments, could adversely affect the Group's financial performance. Although there was no widespread systemic risk, the year was characterised by episodes of volatility, widening credit spreads and uncertainties linked to geopolitical factors, persistent inflation and international trade tensions.

Within the reference context described above, in 2025 Cerved Rating Agency confirmed Magis' financial rating at A3.1, recognising the Group's strength and its ability to meet financial commitments with low credit risk. This assessment reflects a diversified business model, growing economic results and an improvement in the Net Financial Position compared to the previous year. In addition, in November 2025, Cerved recognised the Group's commitment to managing ESG risks and opportunities, attesting to the effectiveness of the sustainability and governance policies adopted by the Group and awarding an ESGe Rating of "A", a significant improvement on the previous "BBB".

Although these actions demonstrate Magis' commitment to maintaining a sound and resilient financial structure, even in a complex economic environment, the Group is aware that a further deterioration in the overall economic conditions of the markets in which the Group operates could undermine its business prospects, reduce revenue, affect operating results and weaken its financial position. For more information on the control measures implemented by the Group, see the section on "Liquidity risk"..

Strategic risks

Strategic risk is defined as the current or future risk of a reduction in expected earnings, financial, and equity performance due to changes in the operating environment, incorrect corporate decisions and/or decisions inconsistent with the evolving macroeconomic and market landscape, late or inadequate execution of decisions, or insufficient responsiveness to changes in the operating environment and competitive pressure. Strategic risk therefore arises if the Group is unable to achieve its planned objectives as a result of market developments and the performance of its businesses.

The Magis Group has adopted a Business Plan, periodically updated and systematically monitored, which defines the strategic guidelines and industrial objectives from which the relevant economic, equity and financial indicators are derived, also developed in compliance with ESG (Environmental, Social & Governance) dimensions, with the aim of ensuring the achievement of sustainable long-term success for both shareholders and other stakeholders.

The Magis Group's 2025-2030 Business Plan is based on three strategic pillars:

- Sustainability ambition

  Integrate business priorities with sustainability priorities, defining specific and measurable short- and medium-to-long-term objectives, supported by indicators, action lines, budget and responsibilities. The aim is to ensure growth that complies with ESG principles and supports the energy transition.

- Growth drive

  Accelerate the energy transition by consolidating the position in the renewable energy and energy efficiency sectors, with a strong push for investments in long-term projects, with impacts extending beyond the plan's five-year horizon. This growth will be pursued both internally (organic development) and externally (extraordinary mergers and acquisitions).

- Risk Management

  Implement tools to mitigate the incremental risk arising from growth in market-based businesses, identifying business models with stable revenue (e.g. FER incentives, PPAs, project financing) to reduce the effects of exposure to market dynamics.

The Group's business development plans include investment, acquisitions, and selected disposals as part of a strategy to streamline the overall portfolio and align consistently with the competitive environment. This strategy is fundamental to maintaining the Group's competitiveness in the energy sector, which is characterised by rapid technological change and ongoing regulatory developments. The Group is committed to creating value for all stakeholders and contributing to the energy transition by exploring a variety of technological solutions and new business models. The objective is to ensure sustainable success that supports not only economic growth but also environmental sustainability, in line with global carbon emission reduction targets.

In particular, the development strategy through acquisitions depends on the availability of market opportunities capable of supporting the Group's business growth and promoting value creation. The Group must be able to swiftly recognise these opportunities and, once identified, ensure that acquired assets are effectively integrated into the operations of the various Business Units, securing operational and financial synergies. The evaluation of external growth prospects is coordinated by the central Business Development function, which provides support to the Business Units with regard to mergers & acquisitions.

Failure to comply with the investment schedule (the so-called CapEx Plan) set out in the Business Plan could occur as a result of unforeseen events arising from various factors that may affect the organisational, operational or financial environment in which the Group operates. Such events could compromise the success and profitability of new investment initiatives. The risks are primarily related to the inability to accurately predict the economic variables of the projects undertaken, with consequent financial, capital, and reputational losses. For example, Group companies may have to bear costs higher than initially foreseen for the construction of new plants. This could be due to factors such as rising commodity prices, unexpected construction delays, or difficulties obtaining the necessary permits. In such circumstances, the Group could face not only significant economic losses but also sanctions imposed by the competent authorities for failure to comply with the required standards.

Accordingly, the corporate functions responsible for strategic planning and management control periodically update their short-, medium- and long-term forecasts and monitor business performance, continuously verifying and assessing any variances between actual results and planned targets, and promptly implementing the appropriate corrective actions.

Thanks to the experience and expertise gained over the years, the Group has developed and adopted its own methodology for monitoring the progress of investments. This methodology provides for a clear definition of governance through the assignment of roles and responsibilities to management bodies (e.g. WATT Committee), the Business Units and the various corporate departments, together with processes and procedures to verify any variances between the value of investments actually made and the planned value (so-called actual vs budget). Lastly, a forward-looking investment risk assessment model (so-called CapEx Model) has been implemented, which identifies progressive risk thresholds according to the overall volume of investments envisaged in the Business Plan (approximately 1,165 €/million) and the expected future EBITDA..

Liquidity risk

Liquidity risk relates to the possibility that the organisation, although solvent, may be unable to meet its payment obligations or obtain financial resources, or may only be able to do so under conditions less favourable than those generally available in the relevant market.

The two main factors determining the Group's liquidity are, on the one hand, the resources generated and/or absorbed by its operating activities (e.g. the purchase and sale of electricity and gas) and investment activities (e.g. construction of new plants and maintenance and/or revamping of existing assets) and, on the other hand, the maturity and refinancing profile of financial indebtedness.

In order to manage liquidity risk, the Group has adopted a series of policies and processes aimed at rationalising and optimising the management of financial resources, thereby reducing risk and ensuring:

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

The objective of the Magis Group is to define a financial structure which, consistently with the strategic guidelines and within the limits established by the Board of Directors, ensures a level of liquidity adequate to meet short- to medium-term financial requirements, while maintaining a balance in the maturity and composition of debt and taking into account the objectives set out in the Business Plan.

Following a prudent approach to the management and mitigation of liquidity risk, also coordinated with the closely related dynamics of interest rate risk, the Finance & Control Department ensures for the Group the adequacy of financial resources through an appropriate balance between short- and medium/long-term funding sources, at fixed and variable rates, differentiated according to the underlying operating activities and/or the investment commitments envisaged in the adopted strategic development plan.

Raising new funding by the Group could entail entering into restrictive clauses (so-called covenants) that limit, among other things, the organisation's ability to:

- make certain investments or capital expenditure;
- incur additional debt or issue guarantees, including to refinance existing debt;
- sell, transfer or dispose of assets;
- merge or consolidate with other companies;
- make significant changes to the Group's business;
- distribute dividends, make other distributions or limited payments;
- enter into transactions with affiliated companies.

The documentation relating to future financing transactions may contain financial covenants that, if breached, could trigger a default event, as well as further provisions (such as representations, undertakings, early repayment obligations, trigger events, etc.). In addition, the Group's ability to comply with these covenants may be affected by external factors, such as trends in the economy, finance, and its operating sectors. In the event of non-compliance with the covenants, unless prior amendments or waivers are obtained, a default towards the lending institutions could arise.

The Finance and Treasury organisational unit continuously monitors compliance with covenants in order to ensure the Group's financial stability. For further information on compliance with the covenants to which the Group is subject, see paragraph 6.5.1, "Non-current financial liabilities", of these Consolidated Financial Statements.

Interest rate risk

Interest rate risk relates to short-, medium- and long-term financial assets and liabilities, which are affected both by decisions taken by the banking supervisory authorities in relation to the definition and periodic revision of the official discount rate by the European Central Bank, and by developments in financial markets and the spreads applied by lending institutions to their customers.
The Magis Group is subject to interest rate risk arising from its financial debt. In managing this risk, the Group adopts a prudent approach, pursuing a balanced mix between fixed-rate and variable-rate funding sources, consistent with short-, medium- and long-term financial needs.
With reference to fixed-rate debt, where possible the Group uses specific medium- to long-term funding lines and/or bond issues, in order to stabilise finance costs over time. In addition, part of the risk connected with interest rate fluctuations is mitigated by entering into hedging agreements (so-called derivative financial instruments).
With reference to variable-rate financing, the risk is managed through the careful contractual definition of the spread.
In managing interest rate risk, the Group pursues the objective of containing financial charges in relation to investments planned over the medium and long term and short-term cash requirements.
In general, the Group's financial management strategy adopts a prudent approach, avoiding daily trading on markets, favouring a traditional approach to operational treasury management, and implementing ongoing monitoring of the financial position and the overall level of debt, which may fluctuate based on specific needs, all in compliance with any existing covenants.

Credit and counterparty risk

Credit risk refers to the possibility that a party involved in a commercial agreement may fail to fulfil its obligations, without complying with the terms and deadlines established in the contract. For the Magis Group this risk represents exposure to potential losses arising from the counterparty's failure to fulfil its obligations.
Counterparty risk represents the Group's exposure to potential losses resulting from a commercial or financial counterparty's failure to fulfil its obligations. This risk may arise from various factors, including economic and financial causes (for example, a counterparty's difficulty in meeting its obligations), as well as technical, commercial or administrative/legal factors, such as disputes concerning the type and quantity of goods and/or services provided, differing interpretations of contractual clauses, and issues relating to invoicing. Although the Group is exposed to this risk across all its business areas, the greatest exposure arises from the sale of electricity and gas in the liberalised market. Counterparty risk also exists in regulated activities, such as energy distribution and waste management, although it is mitigated by compensation mechanisms typical of the relevant regulated sector. A significant default could adversely affect the Group's operations, revenue, and financial position.
The Magis Group does not present significant concentrations of credit risk, as credit exposure is distributed across a particularly large number of customers. Financial assets relating to trade receivables are recognised in the financial statements net of impairment losses calculated on the basis of the counterparty's default risk, determined by considering available information on the customer's solvency together with historical and forward-looking data. Individually significant transactions, for which there is objective evidence of partial or total impossibility of recovery, are written down on an individual basis.
Credit risk in the energy sector is closely linked to the volatility of electricity and gas prices, as fluctuations in such prices directly affect the value of production, resulting in changes in the volume of receivables from customers. If energy commodity prices were to experience significant fluctuations, the Magis Group S.p.A. could face situations of uncertainty that may affect its ability to generate stable revenues. For a more detailed analysis of the factors underlying energy commodity price volatility, see the "Commodity risk" section.
In this context, the corporate functions responsible for managing and monitoring the Group's credit exposure ensure appropriate and adequate governance of credit risk and, more generally, counterparty risk, through

the definition and implementation of specific customer credit policies. Customers are subject to analyses of counterparty characteristics and expected creditworthiness, with the adoption of specific preventive mitigation measures aimed at reducing exposure to credit risk (e.g. insurance guarantees and/or bank guarantees, advance payments, etc.). To mitigate this risk, the Magis Group has developed a central credit policy governing the assessment of creditworthiness of customers (particularly industrial customers) and other counterparties, monitoring anticipated cash inflows, issuing timely reminders, granting extended payment terms when deemed appropriate, obtaining primary bank or insurance guarantees, and adopting appropriate collection procedures. Late payment interest is applied to overdue amounts in line with standard conditions.

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

Each Operational Group meets at least quarterly to discuss and analyse the relevant aspects of credit risk management, including, by way of example: analysis and assessment of counterparties' creditworthiness; level, characteristics and evolution of exposure and overdue receivables; countermeasures and controls to be adopted and implemented (e.g. assessment of requests for guarantees or sureties from counterparties); initiation of judicial and extrajudicial debt recovery procedures; etc.

With specific reference to the Group's commercial company, Magis Energia S.p.A. has implemented a number of credit insurance coverages for specific customer groups, and the Credit Management function has been established and operates on a regular basis, being responsible for the monitoring and control of credit risk. Individuals responsible for credit risk management have also been designated at the subsidiaries V-Reti S.p.A and Magis Smart S.r.l..

Commodity risk

The Magis Group.operates primarily in the supply of electricity and natural gas to its customers and is therefore exposed to commodity risk, in both its price and volume dimensions.

Commodity risk relating to prices arises from the volatility of energy commodity prices traded on the relevant markets. Changes in commodity prices can have potential adverse impacts both on the Group's earnings performance (in terms of margins) and its overall financial position. Price fluctuations, both at global and local level, may be determined by various factors, including supply and demand dynamics, national and international energy regulations and policies, as well as geopolitical developments and macroeconomic events. These factors make the trend in energy commodity prices an exogenous factor that is complex to predict and manage, and which could have a significant impact on the organisation's economic and financial performance.

Within the scope of its operations in commodity markets – in particular gas and electricity – the Group enters into supply and administration contracts both for purchases and sales, the prices of which may be fixed or may vary according to the performance of specific market parameters (so-called price risk).

Similarly, the Group is exposed to commodity price volatility in terms of volumes (so-called volume risk) where there is a difference between the quantities actually consumed by customers and those initially envisaged in the related sales contracts (customer profile), resulting in imbalances between sourcing and sales portfolios. In summary, if actual consumption deviates from forecasts, the Group may be forced to buy or sell electricity and gas under unfavourable market conditions, with negative impacts on costs and revenue.

The Group is therefore exposed to market risk related to fluctuations in electricity and gas prices and in the related traded volumes, with a direct impact on procurement costs, sales revenues generated, cash flows absorbed and, consequently, on the operating margin generated.

With specific reference to commodity risk management, the Group's overall objective is to stabilise overall margins through the active and informed management of such risk, appropriately balancing the relevant portfolios (sourcing and sales, at fixed and variable prices), while at the same time ensuring an adequate level of operational flexibility in the management of procurement activities and portfolio imbalances.

To better manage the risks linked to commodity price trends, the Magis Group has established a dedicated Operational Group (in the form of a steering committee) to manage commodity risk. This committee meets at least quarterly (or whenever necessary), with the aim of monitoring Group-wide exposure to commodity risk, defining energy and gas procurement planning and strategies, and assessing whether to implement any hedging.

Specifically, for the wholly owned trading company Magis Energia S.p.A., an Energy Market organisational unit has been established to serve the various Group subsidiaries, which is responsible for managing:

- of the procurement of electricity, gas and related product supplies;
- of the planning of commodity trading activities;
- logistics aspects and the scheduling of customer offtakes;
- of the monitoring of commodity-related economic and financial risk (price and volume) and the optimisation of the procurement portfolio;
- of the sourcing/trading portfolio, with the objective of maximising margins in compliance with the risk limits defined and monitored by the Risk Management function of the Magis Group;
- the signing of specific derivative financial instruments to hedge against the risk of changes in the price of commodity.

The activities of the Energy Market function are guided by the commodity risk management policy, which sets out the principles and guidelines to be followed in managing portfolios for the purchase and sale of electricity and gas and entering into hedging instruments, both financial and commodity-based. In particular, in order to mitigate the risks arising from misalignment between indexation formulas, the Company adopts hedging instruments specifically designed to align the indexation formulas relating to the purchase of gas and electricity with those applied to the sale thereof. These instruments help stabilise profit margins and enhance financial risk management, reducing the likelihood that purchase and sale prices will diverge and lead to potential losses.

During 2025, electricity and gas prices continued to show significant volatility, influenced by multiple factors such as geopolitical uncertainty, energy policies, and fluctuations in global supply and demand. Following a phase of easing of the global energy crisis, which began as early as 2024, the first half of 2025 saw a renewed increase in prices. In particular, the Single National Price (PUN) reached an average value of 119 €/MWh, marking an increase of 28% compared with the same period of the previous year. During the second half of 2025, values averaged 112, a decrease of 9% compared with the figures for the same half of the previous year. Similarly, the natural gas price showed significant fluctuations, with values between 30 and 60 €/MWh in the reference scenario.

This instability has had direct repercussions on the financial and operational planning of organisations operating in the sector, including the Magis Group, which, thanks to the controls already in place, was able to adopt effective measures to mitigate liquidity risks connected with the increase in procurement costs and margin compression.

The corporate functions of the Magis Group responsible for procurement, in collaboration with the administrative, financial, strategic planning and business control support functions, ensure constant monitoring of developments in the commodities market, assessing the movements in gas and electricity prices to monitor the impacts on the business, also in light of a strongly evolving regulatory framework (i.e. Decreto Bollette - DL no. 19/2025, Milleproroghe 2025 - Italian Legislative Decree no. 202/2024, published in the Gazzetta Ufficiale in February 2025, Decreto Energia 2025 – Decreto Legge 21 November 2025 no.175, etc.).

Movements in commodity prices (whether upward or downward) may also affect the overall level of exposure of the Group's net financial position, thereby generating potential liquidity risk.

It should also be noted that the Group companies operating in the energy generation sector are authorised to produce atmospheric emissions in compliance with the limits imposed by the competent authorities, primarily the Provincial Authorities. Authorisation levels for industrial activities are established in accordance with Legislative Decree No. 152/2006 (also known as the Consolidated Environmental Act or Environmental Code) and, where required, through the Integrated Environmental Authorisation (IEA). It should be noted that during 2025 new emission limits entered into force for medium combustion plants above 5 MW, which were required to comply with the technical requirements and update their environmental permits.

With regard solely to non-renewable energy generation plants, carbon dioxide (CO_2) emissions are directly correlated with energy demand from end users, as such energy is generated using fossil fuel sources. Some Group companies may therefore emit more CO2 than planned as a result of increased energy demand from users. Such circumstances could lead to an increase in costs related to trends in CO_2 certificate prices (e.g. carbon or climate credits relating to European Union Allowances – EUA, traded within the European Emissions

Trading System – ETS), as companies would be required to purchase additional certificates to offset excess emissions. Such a situation could result in an increase in costs related to the purchase of carbon certificates and adversely affect the Group's reputation.
The risk of non-compliance with emission limits is monitored through both preventive and detective control systems. The responsible corporate functions are tasked with periodically monitoring emission levels arising from operating activities and, accordingly, planning the purchase of carbon credits based on the quantities required and the most advantageous market price. This proactive management makes it possible to effectively address the challenges connected with the energy transition, maintaining control over costs and contributing to the achievement of environmental sustainability goals.

Operational risks

Operational risk refers to the occurrence of adverse events that may cause losses resulting from shortcomings or inadequacies in company processes and procedures, organisational and human resource management, asset and system management, etc.
The main operational risks to which the Magis Group is exposed are related to the management and ownership of its plants (e.g. thermoelectric, hydroelectric and cogeneration plants; wind farms and solar photovoltaic parks; waste treatment sites; etc.) and of electricity, gas and district heating distribution networks. Although, to date, the plants and networks managed by the Group have not experienced malfunctions or prolonged service interruptions, it cannot be excluded that such infrastructure may be vulnerable to external events or extraordinary circumstances, such as extreme weather events, natural disasters, fires, terrorist attacks, sabotage, mechanical failures and accidents. Corporate reporting style Such events could cause damage to or destruction of the Group's assets and, in the most severe cases, jeopardise the operational continuity of one or more plants, resulting in economic losses, increased costs or the need to revise investment plans. Furthermore, any service interruptions, malfunctions, accidents or significant events could expose the Magis Group to legal disputes, with potential obligations to pay damages.
To mitigate the impacts arising from risk events characterised by a remote probability of occurrence, the Group has taken out insurance policies aimed at covering specific events. With regard to mechanical failures and damage to plants or processes, each Group company has implemented ordinary and extraordinary maintenance programmes, which are strictly complied with in order to prevent damage to assets and economic losses.
Oversight of operational risks is ensured both by the individual organisational units, responsible for defining and formalising the internal regulations governing operational process management, and by dedicated support functions specialised in the design and implementation of management systems inspired by international standards, for some of which specific certifications have also been obtained (e.g. ISO 9001:2015 – Quality Management System, ISO 14001:2015 – Environmental Management System, ISO 45001:2018 – Occupational Health and Safety Management System, ISO 50001:2018 – Energy Management System, UNI PdR 125:2022 – Gender Equality Management System 2022).
Through the operational risk governance model briefly described above, the Group aims to pursue a path of continuous improvement capable of ensuring increasingly higher levels of efficiency and effectiveness in operational processes, while minimising the risk of adverse events or sanctions arising from non-compliance with the regulatory provisions, including technical regulations, governing the management of business activities.
In order to establish and implement an adequate internal control and risk management system, from its very foundation the Magis Group has set up specific centralised functions and departments, including Compliance, Risk Management, Quality, Safety and Environment (QSA), and Internal Audit.
The development and adoption of the framework for Enterprise Risk Management adopted by the Group includes the establishment, within the Parent Company, of the Risk Committee, which supports the Chief Executive Officer in identifying and managing major corporate risks and is composed of the Chief Executive Officer and a selection of representatives from the management of the Parent Company Magis S.p.A. The Management Risk Committee meets at least quarterly to analyse and discuss risk factors affecting the Group, promoting the implementation of appropriate corrective and mitigation measures for the corporate risks identified. For more details regarding the corporate risk management model, see the section on "Regulatory and compliance risk".

The Magis Group's ability to manage its activities effectively depends on the expertise and experience of its employees. If the Group were to lose key individuals or experience difficulties in recruiting, retaining and/or replacing sufficiently qualified and competent staff, this could hinder the implementation of its corporate strategy, with adverse consequences on its operations, results, and financial condition. A further operational risk related to employee relations concerns the possibility of trade union tensions. This risk may arise from organisational changes that are not shared, breaches of the collective agreement, claims following failure to comply with labour legislation, or from a corporate culture perceived as insufficiently inclusive or characterised by disparities in economic or regulatory treatment. Consequences may include strikes, high absenteeism, a reduced sense of belonging and work attendance, with significant impacts on operational continuity and production efficiency. In addition, there may be extra costs for legal advice and negotiations, potential sanctions and reputational damage. In order to mitigate such risks, the recruitment and hiring process for new employees within the Parent Company and its investees is based on the acquisition of the most suitable resources, both from a quantitative and qualitative perspective, in accordance with actual business needs and the financial resources available. Hiring is carried out in accordance with the principles of impartiality, cost effectiveness, speed, and equal opportunities. In addition, the Magis Group adopts specific retention initiatives aimed at improving the quality of life of its employees. One of the main levers for improving performance and productivity is the introduction of greater flexibility and corporate welfare measures designed to promote – or further enhance – work-life balance. In this regard, the Group allows the adoption of flexible working hours, access to part-time employment contracts and the option of using smart working, as well as a range of additional measures (by way of example and without limitation, leave to accompany and assist parents or children), with the aim of meeting staff needs and contributing to organisational well-being. Lastly, to mitigate the risk of trade union tensions, the Group adopts an approach based on transparency and ongoing dialogue with employees, ensuring full compliance with legislation and collective agreements, as well as involving employees in organisational change processes, in order to foster an inclusive culture and collaborative industrial relations.

Technological risk associated with ageing technologies and plants can also have a significant impact on the operations of the Group companies. Over time, systems, machinery, and equipment may deteriorate and sustain damage, not necessarily due to age, but rather as a result of wear and modifications during use. Technology employed for energy production, for instance, may become obsolete, requiring potentially significant investment for upgrading or replacement. Such obsolescence would affect the organisation's operating costs and could also compromise its market competitiveness. In the current environment, characterised by rapid and continuous innovation, the introduction of new technologies could render existing technologies less competitive and/or less effective, requiring the Group to invest resources in order to remain aligned with technological progress and respond to market needs. Adopting new technology could also involve investment in staff training, to ensure employees are properly equipped to use new systems safely and efficiently. The Group develops long-term strategic plans to anticipate technological change and integrate technology forecasting into it business management. Furthermore, ordinary and extraordinary maintenance plans are carried out on a regular basis in order to promptly identify areas exposed to obsolescence risk and, where necessary, proceed with the replacement or upgrading of plants, equipment and systems.

Lastly, in addition to implementing the previously mentioned controls and mitigation measures, as part of a process of continuous improvement of its corporate governance processes, the Group has developed the Business Continuity Management System (BCMS) project aimed at defining and implementing its Business Continuity Management System, inspired by the relevant international reference standards (ISO 22301:2019 – Security and resilience – Business Continuity Management Systems). The Business Continuity Management System is designed to oversee operational interruption risks both in the support processes and services provided by the Parent Company to subsidiaries and in the business processes of the Business Units, with particular focus on the main critical assets (i.e. plants, services, processes, etc.). The system covers all the Group's relevant business activities and is fully aligned with the principles and methodologies of the Enterprise Risk Management, providing an overall view of corporate risks and facilitating the identification and assessment of those that may have critical impacts on operational continuity. Similarly, linking the Business Continuity Management System with the broader Internal Control and Risk Management System (the so-called SCIGR) ensures that the controls and procedures defined for the Business Continuity Management System itself comply with governance standards and are integrated into the processes for managing and monitoring corporate risks.

The BCMS Project has enabled the development of guidelines and methodologies to ensure business continuity and organisational resilience in the event of critical incidents. The objectives set by the Group in line with international business continuity standards are the following::

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

The analyses carried out made it possible to identify and assess the differing magnitude and nature of interruption risks and critical processes, which are governed through the guidelines and procedures contained in the relevant business continuity plans. With specific reference to V-Reti, the distribution network management company, the analyses carried out, in consideration of the specific regulatory framework governing the sector in which it operates, confirmed the adequacy of the business continuity management systems already defined and implemented, while for the other Group companies, specific improvement plans were prepared, where deemed necessary, according to intervention priorities.

During 2025, certain Group companies were involved in civil, tax, criminal and administrative proceedings incidental to their business activities. If the Group considers it unlikely that the litigation will result in an adverse outcome or that it can be resolved satisfactorily without significant impact, no specific provisions are made in the Consolidated Financial Statements. The Group may also be subject to further litigation and investigations by the tax authorities and other competent authorities. It is not possible to predict the final outcome of pending and future claims against the Group companies or of investigations that may exceed the provisions allocated. In addition, it cannot be ruled out that the Group could incur significant losses beyond the amounts already provisioned in relation to pending litigation and legal proceedings, or to future claims or investigations that could be initiated due toi:

- uncertainty regarding the final outcome of such proceedings, claims, or investigations;
- any subsequent developments not considered by management at the time of the initial assessment that may affect the likely outcome of such proceedings, claims or investigations, making additional provisions necessary;
- the emergence of new evidence and information;
- underestimation of probable losses.

With specific reference to existing and/or potential litigation, the Group Legal Department coordinates the monitoring and management of disputes and claims for damages brought by third parties against the Group companies. Legal and out-of-court disputes are handled by in-house lawyers, with support from external law firms specifically appointed to defend the organisation before the appropriate authorities. The probability of an unfavourable outcome and the related provision recognised in the provisions for risks and charges are estimated on the basis of the progress of legal proceedings and/or ongoing negotiations with counterparties, as well as on the indications provided by internal and external legal counsel, in coordination with the Group's Finance & Control Department.

In recent years, the Magis Group has strengthened its growth strategy both through strategic partnerships and through extraordinary transactions to acquire companies operating in the energy sector (e.g. so-called "vehicle" companies that hold wind and/or photovoltaic plants, companies engaged in the marketing of energy and gas, etc.). The Group's focus is therefore on ensuring timely and effective post-transaction organisational integration.

The Group also pursues sustainable growth through investments in innovation, digitisation and the development of plants and networks. Strategic partnerships are key levers for addressing the challenges of the energy transition and for generating shared value for local communities.

However, the expected benefits or returns from such initiatives could prove more difficult to achieve or lower than initially estimated by the organisation. In addition, such investments are inherently risky, as the Group may not be able to exercise full control over the management of the joint venture or the partnership, or over the decisions taken by the partners. Such forms of collaboration also entail the risk of difficulties in the integration of people, processes, technologies and products. While pursuing the objective of participating exclusively in projects in which the Group's interests are aligned with those of its partners, it cannot be guaranteed that such alignment will continue over time. Strategic joint ventures, although structured as stable arrangements, may be subject to termination clauses or conflict resolution mechanisms. Their dissolution may be lengthy and costly, and the Group cannot guarantee that such alliances will remain aligned over time with its long-term strategy. All these factors could adversely affect the Group's business, financial position, and operating results.

Joint venture and/or partnership transactions are promoted by the relevant Business Units and are defined, executed and managed with the coordination of the Parent Company's central departments. This coordination relates in particular to the negotiation and formalisation of agreements, the definition of their terms and conditions, the guarantees and undertakings assumed, and the assessment of the consistency and soundness of the business objectives, the related planned timelines and the expected financial performance.

Exchange rate risk

Exchange rate risk is the possibility that fluctuations in market exchange rates may cause significant variations, either positive or negative, in the equity value of the Magis Group.
Specifically, for the Magis Group, foreign exchange risk relates to the translation of the financial statements of the foreign subsidiary, Eco Tirana SH.A., whose financial statements are denominated in Albanian lek (ALL) and are therefore translated into Euro in order to be consolidated.
Despite the increase in Eco Tirana's operations, foreign exchange risk continues not to be considered particularly significant. The main reason is the limited currency exposure and the modest economic impact of foreign operations on the Group's Consolidated Financial Statements. The Group constantly monitors exchange rate trends and, where necessary, considers adopting hedging instruments to mitigate any adverse impacts. At present, no specific derivative instruments have been put in place to manage foreign exchange risk, as this risk is not considered material for the purposes of the Group's financial stability.
It should also be noted that in 2025 this exposure decreased further following the final liquidation of the foreign investee AGSM Holding Albania SH.A.
Climate change risk
Risks associated with climate change could lead both to a general increase in temperatures and to the occurrence of extreme weather events, often unpredictable in nature.
Climatic and environmental risks commonly include two main risk factors, outlined below.

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

During the year, there was a widespread and significant increase in the occurrence of extreme weather events, with significant impacts worldwide, including in our country. According to data released by the Swiss Re Institute, in 2025 climate disasters generated significant economic losses: in Europe, insured losses exceeded Euro 10 billion, while globally losses are estimated at over USD 100 billion. In Italy, prolonged heatwaves, intense rainfall, floods, droughts and fires damaged essential infrastructure, disrupted production activities and increased insurance costs. Extreme weather conditions had serious consequences for both the environment and the economy, affecting resource availability and operational continuity. Among the most critical episodes were the floods that hit Tuscany, Liguria and Piedmont, with rivers and streams overflowing and landslides that damaged roads and isolated towns, and the severe drought that affected Southern Italy, putting water supplies for domestic, agricultural and industrial uses at risk.
In the energy sector, the general increase in average temperatures is likely to entail a reduction in energy consumption during the winter season (October to March) for heating purposes by end customers, with a consequent reduction in revenue from generation and sales of energy, which would only partially be offset by an increase in consumption for cooling purposes.
The occurrence of extreme and acute weather events could negatively affect different aspects related to company activities. By way of example, prolonged drought periods would result both in reduced water availability for hydroelectric generation and in a lower frequency of weather disturbances suitable for wind power generation compared with the expected values calculated on the basis of statistical estimates derived from recorded historical series. Moreover, extreme weather events could compromise the integrity of the company's assets (e.g. power lines, generation and distribution systems), causing disruption for both end customers and the company itself. Such climate-related phenomena also have a significant impact on energy production from renewable sources, particularly on hydroelectric and photovoltaic plants.

The level of accuracy of energy consumption forecasts, which are essential for the proper trading of commodities (i.e. electricity and gas), could also be adversely affected by extreme or unpredictable events.
To mitigate these risks, the Magis Group has adopted preventive measures, including the implementation of detailed meteorological analyses to monitor daily consumption and minimise imbalances in the volumes of gas and electricity traded on the markets.
In the current climate context, the concept of distribution network resilience is of particular importance, becoming an increasingly crucial parameter for ensuring the stability and sustainability of energy systems. Network resilience refers to the ability of a system to maintain its functionality and adapt in response to disruptions or critical events (such as snow accumulation that may cause short circuits; strong winds that may lead to falling trees and consequent damage to infrastructure; atmospheric pollution that may result in undesirable and harmful deposits on network lines). The Group has planned significant investments for the maintenance, upgrading and enhancement of distribution networks, with the objective of increasing their resilience to extreme weather conditions and to the challenges associated with the energy transition.
The increasingly frequent and intense occurrence of extreme natural events, together with the volatility of electricity and natural gas prices and the growing focus on sustainability-related issues, has accelerated the transition towards the use of renewable energy sources. The expansion of renewable energy, particularly solar and wind, is being accompanied by the strengthening of existing energy resources such as hydroelectric power and district heating. In this context, the integration of renewable sources plays a central role in the Group's strategy. During 2025, the Group developed and acquired 4 wind farms in Puglia and 24 photovoltaic plants distributed across Veneto, Emilia-Romagna, Lombardy, Umbria, Lazio and Campania, marking the first concrete step in the implementation of the 2025-2030 Business Plan. In parallel, an agreement was signed with the European Investment Bank (EIB) for a Euro 120 million loan, earmarked for the modernisation and strengthening of electricity networks in the municipalities of Verona, Vicenza and Grezzana (VR), with objectives of resilience, digitisation and integration of green sources. This demonstrates the Group's commitment to planning and making investments in new renewable energy production plants and to progressively modernising existing assets.
However, these energy sources also expose the Group to a number of climate-related risks, particularly those relating to wind and solar irradiation patterns, on which annual energy production volumes largely depend. Specifically:

- with reference to hydroelectric plants, production levels may be affected, positively or negatively, both by extreme climate events (e.g. storms, tornadoes, cloudbursts, drought periods, etc.) and by chronic changes (e.g. progressive desertification/tropicalisation of the climate, changes in rainfall patterns and types of precipitation, water stress, etc.). In the event of extreme rainfall, for example, corporate assets could suffer significant damage and require plant shutdowns in order to carry out maintenance and repair activities. Conversely, prolonged drought periods may result in reduced water availability, thereby limiting hydroelectric power generation. During 2025, the Group's hydroelectric sector was affected by lower water availability than in the previous year (which was characterised by exceptional production compared with the average of prior periods), due to less frequent rainfall that was more concentrated in the spring months;
- photovoltaic plants are particularly vulnerable to damage caused by weather events. The consequences of such events may be multiple: extreme heat, for example, may significantly reduce energy production, as high temperatures decrease plant efficiency; during drought periods, the accumulation of dust and sand may impair generation capacity and, in the event of fires, smoke and debris may further affect productivity. Hail also represents a significant risk, as it can damage solar panels by breaking the surface of photovoltaic cells or the support frame, as well as causing less visible but efficiency-compromising damage. In 2025 photovoltaic plants recorded better performance than in the previous year, mainly due to the increase in installed capacity. However, irradiation recorded in the first and third quarters of the year was below the historical averages for the period;
- with regard to wind power plants, extreme temperatures, both high and very low, could affect turbine operation, negatively impacting their performance. Severe weather disturbances can put excessive mechanical stress on structures, making it necessary to shut down the turbines to

prevent damage and wear. During 2025, the Group's wind power segment recorded production levels slightly higher than in the previous year. The result was supported by excellent performance in January, which offset a February characterised by low-wind conditions. The subsequent months from March to September, although with a lower weight on the annual total, were also characterised by low wind speeds, which impacted production in the segment.

- production levels at thermoelectric plants may also be affected by environmental variables. Water scarcity, for example, often caused by prolonged drought periods, limits electricity generation capacity due to the reduced availability of water resources required for plant cooling.

In response to such circumstances, the Group's competent structures and corporate functions are engaged both in ensuring the maintenance and operational efficiency of plants and infrastructure and in carrying out continuous climate monitoring activities to ensure maximum production efficiency and minimise energy consumption. With specific reference to district heating services, oversight is ensured through dedicated corporate units responsible for the continuous updating of demand forecasts in relation to expected temperature trends (on a day-by-day basis), as well as for the consequent management and optimisation of heat production and supply. In addition, strategies have been adopted to ensure energy production is as efficient as possible and to minimise the long-term negative impact of climatic events. Designated staff within the Power Business Unit, which is responsible for electricity generation, are tasked with conducting in-depth studies on the optimal implementation of the generation plants, including the analysis of local climate conditions, environmental risk assessments, and the design of technical solutions to maximise energy efficiency.

During 2025, the Magis Group continued to strengthen electricity generation from renewable sources, with the main contribution coming from hydroelectric plants, followed by wind and photovoltaic plants. For further information regarding the performance of the Group's electricity generation plants, reference should be made to the section dedicated to the Sustainability Reporting of this consolidated financial statements.

In addition, in line with the previous year, the Group continued its projects to carry out a detailed mapping of its emissions (in particular indirect greenhouse gas emissions – the so-called Scope 3) in accordance with CSRD requirements and the Business Plan. In parallel, it continued to develop energy efficiency projects for its premises and plants, as well as the progressive decarbonisation plan to be implemented over the coming years.

Lastly, in February, Magis Power S.r.l. and Magis Calore S.r.l. obtained ISO 50001:2018 certification for energy management systems, reflecting the commitment to an increasingly sustainable use of energy resources.

For further details on the risks arising from climate change, reference should be made to the "Sustainability Reporting" section..

Regulatory risk

The regulatory risk is correlated to the constant evolution of the regulations governing the duration of public service concessions and the regulation of the related sectors.
The Magis Group operates within a political, legal and social environment that is likely to continue to have a significant impact on its performance. In particular, sector regulation affects many aspects of the Group's activities, in several cases determining the way in which the Group operates and setting the tariffs applied or received for its products and services. Any changes to the legislation and regulations currently in force, at European, national or local level, and their interpretation by the competent authorities, could adversely affect the concessions currently held by the Magis Group and its subsidiaries. Such changes could compromise the Group's existing and future operations, affecting costs, the ability to generate revenue, and, more generally, the development of its activities. Potential changes may include revisions to the award and renewal of concessions, the management of tariffs, the setting of indemnities in the event of concession terminations, incentives for renewable energy, regulation of business combinations, tax rates, and environmental, safety, and labour law provisions.
Of particular significance is the risk of non-compliance with environmental regulations, which could give rise to penalties, reputational damage, operational interruptions, and additional costs to resolve any issues or to comply with new requirements. Environmental regulations are subject to continuous evolution, with increasingly stringent requirements regarding sustainability, emissions reduction, waste management and the protection of natural resources. The Magis Group incurs significant costs to ensure that its plants, in particular its waste management facilities, and its operations comply with applicable environmental laws and regulations. Failure to comply with environmental regulations in the geographical areas where the Group operates could result in legal proceedings, financial penalties or disqualifying sanctions, such as the suspension or revocation of authorisations, licences and concessions. Any significant increase in the costs required to ensure compliance with environmental regulations, including those relating to the maintenance and upgrading of plants, if not promptly recovered, could adversely affect the business outlook, revenues, operating results and financial position of the Magis Group.
However, it should be noted that such regulatory changes can also represent a significant opportunity for those operating in the energy sector, as they can benefit from numerous incentives and benefits aimed at promoting the generation of energy from renewable sources. Such incentives include government subsidies, tax benefits, feed-in tariffs and subsidised financing for green energy projects. Such measures are designed to support organisations in their transition towards sustainability and energy efficiency, while simultaneously reducing the environmental impact of production activities.
With specific reference to tax matters, the determination of the taxes payable by the Group is closely linked to the regulations currently in force. Tax risk – as the possibility of operating in breach of tax rules or in conflict with the principles or objectives of the tax system – exposes the Magis Group to potential challenges, with the consequent application of higher taxes, penalties and interest, as well as impacts of an equity and reputational nature. This tax legislation may be subject to unfavourable changes, exposing the Group to potential disputes with the tax authorities. To oversee this risk, the Magis Group S.p.A. has established the Tax and Fiscal Function, a dedicated structure responsible for the management and control of the correct calculation and timely payment of taxes. In addition, in line with international best practice and OECD guidelines, in 2025 Magis S.p.A. and Magis Energia S.p.A. defined and adopted their own internal control system for managing tax risk, the so-called Tax Control Framework (TCF), integrated as an essential part of the internal control and corporate risk management system. From 2026, V-Reti S.p.A., Magis Power S.r.l., Magis Calore S.r.l., Magis Ambiente S.r.l. and Magis Smart S.r.l. will also define and adopt their own TCF. The TCF, designed to ensure the identification, measurement, management and control of tax risk, represents the prerequisite for the Group's companies to join the Cooperative Compliance regime, as provided for by Italian Legislative Decree 2023/221. This model fosters the establishment of an enhanced relationship between the tax authorities and the taxpayer, aimed at increasing the level of certainty on relevant tax matters, through a shift from an ex post approach to controls to an ex ante approach. The objective of the TCF is to keep tax risk at a low level, as defined in the Group Tax Strategy, the first pillar of the internal control system dedicated to overseeing Italian taxation. The Tax Strategy translates corporate values into principles of conduct and guidelines for responsible tax management, pursuing the following strategic objectives:

- compliance with tax regulations (Tax Compliance);
- transparency towards the tax authorities (Tax Transparency);
- risk management and control (Tax Risk and Control Management);
- involvement of top management in the management of tax risk (Tone at the top.

Significant regulatory changes of interest to the Group are expected over the next two years:

- Rapid supplier switching. From 1 December 2026, in implementation of EU Directive 2019/944 and ARERA provisions, domestic electricity customers will be guaranteed the possibility to switch supplier within 24 hours.
- New billing model and greater consumer protection. From 1 April 2026, electricity bills will be simplified and broken down into four main components:
    - fixed annual charge;
    - energy price;
    - standard dispatching item defined by ARERA;
    - transport, charges and VAT.

In addition, the new rules provide that, if a supplier intends to increase prices, it must send a notification with at least 90 days' notice.

- Conto Termico 3.0. The new incentive scheme, which entered into force in December 2025, will, from 2026, allow companies to access contributions for the installation of highly efficient thermal systems.
- Single Text for Renewable Energy Sources (Italian Legislative Decree 190/2024). In force from 30 December 2024, the measure provides, from 2026, significant simplifications in the authorisation procedures for plants using renewable sources, with a reduction in bureaucratic requirements for small and medium-sized plants.
- Energy Release 2.0. From 2026, GSE will launch competitive procedures for the allocation of electricity at regulated prices to energy-intensive companies, making access conditional on the development of new renewable capacity.
- Incentives for renewable energy (FER and CER). The Transitional FER X Decree, in force until 31 December 2025, will be updated by ARERA and GSE in order to define the revision of the incentive mechanisms, with possible changes to tariffs and eligibility criteria.
- Implementation of the CER Directive (Critical Entities Resilience). Already transposed by Italy with Italian Legislative Decree of 4 September 2024, no. 134, the Directive aims to strengthen the resilience of critical entities against events that may disrupt the provision of essential services.

In general, in order to closely monitor developments in the regulatory environment and properly manage compliance risk, the Magis Group has defined and implemented a specific risk management and internal control system, which also includes the establishment of dedicated Group-level functions and departments, such as Compliance, Risk Management, QSA (Quality, Safety and Environment) and Internal Audit. With the help of the Compliance function and, where deemed appropriate and necessary, with the support of external experts, the Group constantly monitors legislation within its remit and promptly promotes the launch of compliance projects. The scope of the Compliance Function covers regulations relating to Privacy and Data Protection, Administrative Liability pursuant to Legislative Decree 231/2001, environmental regulations (in cooperation with the Quality, Safety and Environment Function), Market Abuse regulations, regulations concerning compliant Digital Preservation, and Public Procurement regulations (in cooperation with the Procurement Department). Furthermore, each relevant corporate department, organisational unit and subsidiary has identified and appointed focal points who, in coordination with the second-level control functions established within the Parent Company, act as experts in the regulations within their respective areas of competence, with responsibility for continuously monitoring regulatory developments relating to their areas of reference, promptly activating the appropriate reporting procedures and promoting the actions necessary to ensure regulatory compliance.

With regard to Italian legislation concerning the administrative liability of entities pursuant to Legislative Decree No. 231 of 8 June 2001, it should be noted that the principal Group companies have adopted their

own organisation, management and control models and have appointed the relevant Supervisory Body. At Group level, a Code of Ethics and an Anti-Corruption Policy have also been defined and adopted in order to safeguard the principles of integrity and transparency. The Parent Company also obtained certification under ISO 370001:2016, having implemented, during 2025, an anti-corruption management system.
With regard to personal data protection management matters, the Group has adopted its own privacy governance system capable of ensuring compliance with the provisions of the General Data Protection Regulation (EU Regulation 2016/679 – GDPR), appointing a Group Data Protection Officer (DPO).
Lastly, a self-audit protocol was introduced – through a service entrusted to an external provider – aimed at reducing the regulatory risk associated with issues relating to the application of the Integrated Text of the provisions on functional separation (unbundling) obligations set out in Annex A to Resolution 296/2015/R/COM (TIUF).

Risks related to tenders for the award of new concessions

The activities of the Magis Group are closely linked to the concessions granted by local and national authorities for regulated activities. The loss of a concession currently held could adversely affect the Group's operations, financial results and overall position.
Activities include both fully regulated services, managed under authorised concession arrangements ("Regulated Activities") - such as the distribution of gas and electricity, electricity generation, management of hydroelectric plants, district heating, urban cleaning, waste collection, public lighting, parking services, etc. - and activities managed under a free competition regime ("Liberalised Activities"), such as the sale of gas and electricity. The Regulated Activities depend on concessions granted by the Ministry of Economic Development (for electricity distribution) and by municipal authorities (for the other services), with durations varying according to the different operating areas of the Magis Group.
The concessions relating to the Regulated Activities may not be renewed or maintained upon expiry and, if renewed, may be subject to more onerous economic conditions. Furthermore, it is not guaranteed that the Group will obtain new concessions or that renewals will be on the same terms as before. The concessions are governed by contracts that impose specific obligations on the concession holder, including the regular maintenance and management of facilities in accordance with the quality standards defined by ARERA (Regulatory Authority for Energy, Networks and Environment). If these obligations are not met, the concession holder may be subject to sanctions or penalties, and in the event of serious non-compliance, the concession may be revoked early by the granting authority. In addition, under the principles of Italian law, a concession may be terminated for reasons of public interest, with an obligation for the concession holder to transfer the assets relating to the concession to the granting authority or a new concession holder. In the event of early termination, the concession holder may be entitled to compensation in accordance with the terms of the concession agreement.
In order to protect and strengthen its positioning in the services market and consequently preserve and expand the Company's business, dedicated organisational structures have been established for the continuous monitoring of opportunities and for the effective and efficient management of, and participation in, tender procedures.
In particular, the Group operates in a complex competitive and regulatory context, where participation in tenders for the award of new gas distribution concessions represents a strategic issue. The Area tenders (so-called ATEM – Minimum Territorial Areas) envisaged in the near future could entail significant risks: the Group companies may fail to obtain one or more of the new concessions, or may obtain them under less favourable conditions than those currently in place, with possible adverse effects on operations and on the economic, equity and financial position; without prejudice, in the event of non-award, to the receipt of the reimbursement value payable to the outgoing operator, generally determined at values not lower than those recorded in the fixed asset register, as established by the Ministerial Guidelines of 7 April 2014 and confirmed by ARERA Resolution 67/2025/R/GAS.
The Group manages five hydroelectric plants located in the provinces of Verona, Vicenza and Trento, some of which are nearing the expiry of their concessions. Any non-renewal may cause significant losses in several respects:

- financial, due to the loss of income resulting from the cessation of operations;

- regulatory, as new legislative provisions may change the conditions of the concessions, introducing, for example, stricter environmental requirements or higher concession fees;
- operations, since uncertainty about renewal may discourage long-term investment, making it difficult to recover the costs incurred;
- reputational, due to the reduction in the number of renewable energy plants managed, with possible adverse effects on stakeholder perception.

AAt the same time, the expiry of plant concessions may represent an opportunity to obtain, through tender procedures, the long-term management of new facilities. Successfully securing tenders could deliver significant financial and reputational benefits. In this scenario, the Magis Group has launched initiatives with ANCI Veneto and other operators to promote a more local management of concessions, enhancing the role of local communities in energy production.

Furthermore, the failure to secure public and/or private tenders or concessions for the marketing of smart services, such as mobility and smart city solutions (IP), could adversely affect the growth and competitiveness of the Smart Business Unit. Similarly, failure to secure or retain tenders and concessions for waste collection, treatment and recovery services and for urban health represents a significant risk for the Environment Business Unit. The development of offerings not aligned with the expectations of public and private customers, in comparison with the competitive environment, could adversely affect revenues and EBITDA.

To mitigate such risks, the companies of the Magis Group are continuously committed to improving competitiveness in tender procedures. For this purpose, dedicated procedures and operating instructions have been implemented for the management and development of concession award tender processes. Furthermore, the competent personnel continuously monitor existing concessions and ongoing tenders, reviewing and updating mitigation plans in response to changes in the operating environment.

Increasing competition in the energy sector requires organisations to be more agile and responsive in addressing tender requests, continuously adapting their commercial strategies in order to maintain competitiveness. Failure to secure tenders for the marketing of energy services may adversely affect the Group's ability to generate profits and maintain a strong market position. This risk could arise, for example, from the preparation of offers that do not meet customer expectations and are not competitive with respect to those of other operators.

The Group's commercial company has adopted a complex organisational structure (e.g. Sales Department, Pricing Department, Communication & Digital Department) to mitigate the risks associated with failure to win tenders and concessions in the sale of energy services, and to respond promptly to the challenges of the market. Thanks to this organisational structure, in 2025 the subsidiary Magis Energia S.p.A. achieved a significant result, successfully securing six lots in the tender launched by Consip for the supply of electricity to Italian Public Administrations for the 2026-2027 two-year period. This agreement will make it possible to supply energy to numerous cities and entities in the area across various Italian regions, including Valle d'Aosta, Piedmont, Lombardy, Sardinia, Liguria, Umbria, Marche, Apulia and Basilicata, strengthening the Group's presence in the national market.

Information & communication technology risks

The Group's activities are managed through information systems that support the main business and support corporate processes. Such information systems are designed, implemented and continuously updated by the Parent Company's Information Systems Department, which is also responsible for their maintenance and supervision in order to ensure high performance and continuous alignment with evolving business requirements. The secure operation of these IT systems and networks, as well as the proper processing and maintenance of such data, is essential to ensure the continuity of the Magis Group's operations.

Any inadequacy, fragmentation or delayed integration of existing platforms, as well as the failure to update these information systems in line with operational and business needs, their unavailability, or the inadequate management of aspects related to the integrity and confidentiality of information, represent potential risk factors. The Group mitigates these risks through specific controls governed by the IT Systems Department, which has adopted guidelines, policies and procedures dedicated to the security and efficiency of the systems. In this regard, it should be noted that Disaster Recovery systems have been implemented, designed to ensure rapid recovery and continuity of critical ICT systems, in order to support business operations, mitigate financial and reputational impacts and ensure compliance with applicable regulations. On this point, it should be noted that specific insurance coverage is in place for the ICT sector, with the aim of mitigating potential damage resulting from discontinuity in service provision.

Furthermore, the Magis Group collects, manages and stores sensitive data within data centres and IT networks, including documents protected by intellectual property rights, confidential business information and sensitive data relating to customers, suppliers and employees. The confidentiality and security of such information are ensured through specific controls including internal policies, tools for the segregation of access, as well as through contractual agreements with third parties authorised to process the data. These activities are carried out in compliance with applicable regulations and relevant best practices, ensuring the protection of sensitive information.

The growing number of cyber threats and digital crimes, aimed at damaging infrastructure or breaching personal data, represents a significant risk to the security of the Magis Group's systems and networks, as well as to the confidentiality, availability and integrity of the information managed.

According to the National Cybersecurity Agency, in the first half of 2025, cyber attacks in Italy increased by 53% compared to the same period of the previous year, while in the second half growth was 30%, confirming the increasingly sophisticated evolution of cyber threats. Such attacks, aimed at disrupting, damaging or compromising the security of IT systems, have increased attention on cyber risk, understood as the risk of economic losses, operational disruptions or damage to critical technological systems. The most vulnerable and heavily targeted sectors are those considered strategic and of national significance, including healthcare, telecommunications and, in particular, the energy & utilities sector, which continues to be a sensitive and high-risk target. According to the Clusit Energy & Utilities Report, the number of cyber incidents in organisations in the sector increased by 40% compared to 2023, highlighting the need to further strengthen security and resilience measures.

These risks are due to the compromise of information confidentiality and integrity. The main threats may include identity theft, phishing attacks aimed at taking control of personal devices in order to access central systems, and attacks targeting exposed systems such as public websites.

A system failure or security breach could expose the Magis Group, as well as its customers, service providers and employees, to the risk of information misuse, compromise of confidential information, loss of financial resources, data manipulation and destruction, and operational disruptions, with consequent adverse effects on the Group's reputation, competitive position, business activities and operating results. With specific reference to its cybersecurity, the Group is engaged in a process of continuous evolution aimed at improving its operational processes, technological tools and corporate policies in order to reduce the risks and adverse impacts arising from cyberattacks, also through careful monitoring of hardware infrastructure and software systems.

In particular, the Information Systems Function of the Magis Grop has implemented the following security control:

- use of cutting-edge disaster recovery solutions, periodically tested on both cloud services and those managed internally in the data centre, to ensure resilience and business continuity in the event of emergencies;
- implementation of advanced vulnerability management tools dedicated to analysing and identifying software vulnerabilities, to prevent threats and mitigate cyber risks;
- periodic performance of Vulnerability Assessments, with the objective of verifying the effectiveness of existing security measures and promptly identifying vulnerabilities, planning and implementing the appropriate corrective actions;
- adoption of the National Framework for Cybersecurity and Data Protection (which in turn incorporates the NIST CSF 2.0 framework) for the continuous monitoring of the maturity of cyber risk management, in accordance with the implementation of the NIS2 regulation, enabling the continuous enhancement of the so-called "security posture" through specific controls divided into strategic areas;
- enforcement of specific ICT policies and regulations, as required by the minimum measures set out in the determinations of the National Cybersecurity Agency (ACN) with a view to transposing the

NIS2 Directive, concerning, for example, the use of external memory devices, with technological measures to block unauthorised devices, ensuring strict control over access to sensitive information.

Such mitigation actions are aimed at managing the threats to which the systems are exposed and preventing incidents, ensuring business continuity and enhancing resilience to such events.

Risk relating to health and safety for employees and suppliers

The risk relates to damage to the health and safety of individuals working directly or indirectly for the Group companies, including employees, contractors and suppliers, arising from failures and malfunctions of company facilities (internal factors) and/or from natural or atmospheric events (external factors). In this context, it is essential to ensure adequate ordinary and extraordinary maintenance, proper operational management of corporate assets, continuous training of operational personnel and the appropriate use of protective equipment.

The Group's activities are managed in full compliance with applicable regulations on accident prevention and occupational health and safety. The companies consider the protection of workers' health and safety to be of primary importance, aiming not only to comply with the regulations, but also to seek the ongoing improvement of working conditions. To mitigate risks, health and safety management systems are in place, in addition to the fundamental activities of staff training and awareness raising. Activities carried out by personnel external to the Group are governed by strict rules of conduct for the prevention of interference risks contained in the Single Interference Risk Assessment Document (DUVRI), shared with suppliers, together with activities relating to the prior assessment and qualification of suppliers and, subsequently, verification of the effective implementation of the health and safety risk controls provided for in the DUVRI.

7.2. Report on risk management and internal control systems - Italian Legislative Decree 58/98

Following the issuance and listing, during the 2017 and 2018 financial years, of the two tranches of the bond loan by AIM Vicenza S.p.A. for a total amount of Euro 70 million (ISIN Code: XS1683476268) on the Main Securities Market, a regulated market managed by Euronext Dublin, Magis S.p.A. (the "Company") qualifies as an "issuer of securities listed on a regulated market" and is therefore required to comply with a series of regulatory obligations.

In 2024, the Company issued a new bond for an amount of 46 million euro, maturing on 7 August 2031 (ISIN Code: XS2856134858), on the regulated market of Irish Stock Exchange plc, operating as Euronext Dublin (a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, known as MiFID II EU, as amended).

Specifically in regard to the report on corporate governance and ownership structure envisaged in Article 123-bis of Italian Legislative Decree 58 of 24 February 1998 ("Consolidated Law on Finance" or " TUF"), since the Company does not have shares listed on a regulated market or a multilateral trading system, it has opted to include in the report only the information concerning the principal characteristics of the existing risk management and internal control systems connected with the financial reporting process, including the consolidated financial statements, pursuant to paragraph 2, sub-paragraph b) of Article 123-bis of the Consolidated Law on Finance.

In accordance with applicable laws and regulations and existing leading practices in this regard, and considering the sector in which Magis S.p.A. and its subsidiaries operate, the Company has implemented an internal control and risk management system. This system consists of the series of rules, procedures and organisational structures designed to identify, measure, manage and monitor its principal risks, assuring compliance with corporate strategies and achievement of the strategic objectives of the Company and the Group.

The internal control and risk management system must not be considered separately from the internal control system in relation to the separate and consolidated financial reporting process. In fact, both of them are essential elements of one and the same system (together, the "System") designed to assure:

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

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

The System is subject to revision in response to the regulatory framework and operating segment in which the Group operates and modification of the corporate business areas to ensure the effectiveness and coordination of the principal elements of the System in relation to the organisational and governance development of the Company and the Group. Within the framework of the internal control and risk management system, second-level control functions known as the Compliance Function and the Risk Management and ESG Function, together with the third line of control represented by the Internal Audit Function, have been set up and actively operate, each within the scope of its competence, to ensure the necessary monitoring of corporate risks.

At a top executive level, a Group Executive Risk Committee has been established since 2022. This Committee, chaired by the Chief Executive Officer and composed of a selection of the Parent Company executives and the

Internal Audit Function as auditor, meets regularly, with the involvement of the company functions depending on the matters and subjects being discussed.

Additional executive Operational Groups have also been established for the management of significant corporate risks:

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

Such Operational Groups have been established within the individual Group companies for which this was deemed appropriate (Magis Energia S.p.A., Magis Smart S.r.l. and V-Reti S.p.A.). For further details regarding the activities carried out by each Operational Group, see the section "Main risks and uncertainties to which the Group is exposed (Article 2428, paragraph 2, point 6-bis)" of this document and section "1.5.3 Internal Control and Risk Management System" of the Sustainability Report included in the Report on Operations in these Consolidated Financial Statements.

Sustainability Reporting

For consultation of the consolidated Sustainability Reporting, reference should be made to the following section of this Report on Operations.

2025 Consolidated Sustainability Report

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1. General disclosures

1.1. Basis of preparation of the Report

[ESRS_2, BP-1, DP 5a, 5b]

The consolidated Sustainability Reporting of the Magis Group (formerly AGSM AIM) for the 2025 financial year continues the path initiated last year, aimed at presenting sustainability-related data and information in a coordinated and integrated manner with traditional economic and financial reporting.

[ESRS_2, BP-2, DP 15]

The Consolidated Sustainability Report has been prepared in accordance with Legislative Decree No.125 of 6 September 2024, which transposes into Italian law EU Directive 2464/2022, known as the Corporate Sustainability Reporting Directive (CSRD) (hereinafter also referred to as the "CSRD" or "Directive"), as well as the new European Sustainability Reporting Standards (ESRS) adopted by the European Commission on 31 July 2023 and developed by EFRAG (European Financial Reporting Advisory Group), and the requirements of Article 8 of EU Regulation 2020/852 of the European Parliament and Council, together with the related delegated regulations. In compliance with the ESRS, this Sustainability Reporting aims to disclose and illustrate all information deemed appropriate and necessary to enable the stakeholders of the Magis Group to obtain a clear and comprehensive understanding of the impact generated by our organisation on sustainability matters and of how such matters may affect the performance, results and financial position of the Magis Group.

[ESRS 2, BP-2, DP 16]

In preparing the Consolidated Sustainability Report, the sustainability reporting principles outlined in ESRS 1 were taken into account: relevance, faithful representation, comparability, verifiability, and understandability. Furthermore, this Consolidated Sustainability Report is structured with reference to the provisions of ESRS 1 (paragraph 115), which calls for the inclusion of the following four sections: general, environmental (including disclosures required under Article 8 of EU Regulation 2020/852), social, and governance information.

The following are also included in the specific appendices within the Consolidated Sustainability Report:

I. the disclosure requirements index;

II. the list of information elements under the cross-cutting and topical standards deriving from other EU legislative acts;

III. the mapping table between material topics and the SDGS.

[ESRS_2, BP-1, DP 5a, 5c]

During the 2025 financial year, the Magis Group updated its Double Materiality Assessment (DMA) in order to identify and understand the principal impacts, risks and opportunities (IROs) relating both to its own operations and to activities across its value chain (upstream and downstream of the organisation). Where specific IROs related to its value chain have been identified, Magis discloses the available quantitative and qualitative information regarding its sustainability performance. The list of reported indicators, along with any detailed notes, is provided in the Concordance table included at the end of this sustainability section within the Report on Operations of the Group's Annual Financial Report.

It should be noted that, following the publication in the Official Journal on 10 November 2025 of Delegated Regulation (EU) 2025/1416 ("Quick Fix"), the Magis Group made use of the transitional provisions and therefore did not report on certain disclosure requirements ("phase-in").

[ESRS_2, BP-2, DP 9a, 9b]

The reference time horizons considered by Magis Group for the consolidated Sustainability Reporting are those defined in ESRS 1, in particular:

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

The reporting period runs from 1 January to 31 December 2025; data relating to the two previous financial years are presented, where available, for comparative purposes in order to facilitate the understanding of the trends in the Group's sustainability performance.

[ESRS_2, BP-2, DP 10a, 10b, 10c,10d, 11a, 11b]

For the purposes of ensuring a fair presentation of performance and guaranteeing the reliability of the data, the use of estimates has been limited as far as possible and, where applied, such estimates are based on the best available methodologies and are appropriately disclosed. In addition, any restatements of previously published comparative data are clearly indicated in the text. In particular, in preparing the reporting, the Group was required to estimate the data and information relating to the value chain for the calculation of Scope 3 emissions (described in greater detail in the paragraph "The Group's greenhouse gas emissions" contained in the subsequent paragraph "2.1.3 Metrics and targets"). It should be noted that the estimates made for the purposes of this Report are not generally characterised by a high level of uncertainty, with the exception of Scope 3 emissions, which show a low level of uncertainty for most categories and a medium level of uncertainty for category no. 1 "Purchased Goods and Services" and category no. 7 "Employee Commuting".

[ESRS_2, BP-2, DP 14 a, 14 b]

The Group's reporting contains certain amendments to the information disclosed by Magis Group in the previous reporting period, with the purpose of restating comparative information relating to prior periods subject to disclosure.

Specifically, adjustments were made to certain figures for the 2024 fiscal year shown in the following tables:

- Table 12 – Gas distribution service quality indicators;
- Table 48 – Personnel by type of employment contract (permanent / fixed-term / variable hours) and by gender
- Table 53 – Employee terminations broken down by gender, age and geographical area – environment focus;
- Table 54 – Incoming and outgoing turnover;
- Table 58 – Average training hours per capita by gender and professional category;
- Table 59 – Training hours by gender and professional category;
- Table 60 – Health and safety metrics of the Group's own workforce;
- Table 66 – Customers served at service desks.

[ESRS_2, BP-1, DP 5d, 5e]

It should be noted that the Magis Group has not made use of the option to omit information relating to intellectual property, know-how or innovation outcomes, nor of the exemption from disclosing information concerning imminent developments or matters under negotiation.

In order to avoid duplication of data and information, the Consolidated Sustainability Report refers to other sections of the Report on Operations for information already provided or for further details.

This document was submitted for approval to the Company's Board of Directors on 20 April 2026, together with the draft statutory financial statements and the consolidated financial statements, in compliance with the responsibilities reserved to the Shareholders' Meeting under the Company's Articles of Association and applicable laws.

The Consolidated Sustainability Report is subject to assurance by an independent audit firm, BDO Audit Services S.r.l., which has been tasked with verifying its compliance with Italian Legislative Decree 125/2024 and its consistency with the adopted reporting Standards.

The structure of the document is intended to present the activities carried out by the Group in a clear and organised manner, initially providing a broader and more strategic overview and progressively focusing on and analysing in detail the relationships with stakeholders and the specific characteristics of the activities performed within the territory.

This consolidated Sustainability Reporting includes, among its core preparation principles, the Double Materiality Assessment, namely the identification of those topics to which Magis is particularly sensitive, appropriately articulated through the principal objectives of the Group's Business and Strategic Plan and linked to the indicators reported therein.

The consolidated Sustainability Report of Magis (formerly AGSM AIM S.p.A.) for the 2025 financial year includes within its scope the companies that are fully or proportionally consolidated in the Consolidated Financial Statements and are considered relevant and significant to the Group's business.

Table 1 – Magis Group Consolidated Entities

Networks	Market	Smart	Heat	Power	Environment	Other companies
V-Reti S.p.A.	Magis Energia S.p.A. CogasPiù Energie S.r.l. Global Power S.p.A. Global Power Plus S.r.l.	Magis Smart Solutions S.p.A. Agisco S.r.l. Smart Care 1 S.r.l.	Magis Calore S.r.l.	Magis Power S.r.l. Bortoli Total Green S.r.l. Carapelle - 1 S.r.l. Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l. Delsis S.r.l. Green Hydrogen Venezia S.r.l. JUWI Development 02 S.r.l. JUWI Development 08 S.r.l. Manfredonia S.r.l. Parco Eolico Carpinaccio S.r.l. Parco Eolico Riparbella S.r.l. RF-SIRIO S.r.l. RF-VEGA S.r.l.	Magis Ambiente S.r.l. SER.I.T. S.r.l. Società Igiene Territorio S.p.A. Blue Oil S.r.l. (in liquidazione)	Eco Tirana Sh.a. Società Intercomunale Ambiente S.r.l. Valore Ambiente S.r.l.

The reporting perimeter for the 2025 consolidated Sustainability Reporting of the Magis Group is substantially consistent with that of the previous year, except for the changes that occurred among the subsidiaries belonging to the Group.

Specifically, all subsidiaries have been confirmed except for the addition of the following companies:

- Global Power S.p.A. wholly owned through Magis Energia S.p.A.
- Global Power Plus S.r.l. wholly owned through Magis Energia S.p.A. and Global Power S.p.A.
- Smart Care 1 S.r.l. wholly owned through Magis Smart Solutions S.r.l.;
- Carapelle - 1 S.r.l., wholly owned through the company Magis Power s.r.l.;
- Delsis S.r.l., wholly owned through the company Magis Power s.r.l.;
- Manfredonia S.r.l., wholly owned through the company Magis Power s.r.l.;
- RF-SIRIO S.r.l., wholly owned through the company Magis Power s.r.l.;
- RF-VEGA S.r.l., wholly owned through the company Magis Power s.r.l.;

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

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

- Agrilux S.r.l.
- Blue Oil S.r.l. (in liquidation)
- Consorzio GPO
- Geothermal Triveneta S.r.l.
- Legnago Servizi S.p.A.
- Parco Eolico Monte Vitalba S.r.l.
- Soenergy S.r.l. (in liquidation)
- Sive S.r.l.

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

1.2. Business model and strategy

1.2.1 Our business model and value chain

[ESRS_2, SBM-1, DP 40b]

The Magis Group is one of the leading Italian multi-utilities, with Euro 2.16 billion in revenues, Euro 204 million in EBITDA, 2,402 employees (of whom 1,502 are based in Italy and 911 are employed by the subsidiary based in Albania) and approximately 937 thousand customers served in the supply of electricity, natural gas and heat.

[ESRS_2, SBM-1, DP 40a, 42a]

Magis is a multiutility that is wholly publicly owned, formed through the merger by incorporation on 1 January 2021 between AGSM Verona S.p.A. and AIM Vicenza S.p.A., resulting in the Parent Company AGSM AIM S.p.A., subsequently renamed Magis S.p.A. (hereinafter also the "Company") from March 2026. The company is 61.2% owned by the Municipality of Verona and 38.8% by the Municipality of Vicenza, territories in which the Group is historically and deeply rooted.

[ESRS_2, SBM-1, DP 42b]

The Magis Group provides essential services and high value-added products for citizens and for the development of businesses, entities and institutions throughout the Italian territory. Furthermore, through its subsidiary Eco Tirana Sha, the Group provides waste collection and transportation services in the Albanian capital.

The Magis Group is active in the following sectors:

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

As an aggregation hub, particularly in North-Eastern Italy, and thanks to the significant critical mass achieved following the merger, Magis S.p.A. aims to carry out investments that generate direct benefits for local communities, improve the quality of services provided to citizens and effectively address the challenges facing the public utility sector.

Magis recognises the value of sustainable development and its role is characterised by both the multi-service nature and the regulatory and economic context of the sector, as well as the different demands that in each area of activity derive from the general objectives of customer satisfaction.

The integration process, started during the 2021 financial year and now completed has enabled the optimisation of the organisational structure of the Magis Group by creating six Business Units.

During the 2025 financial year, extraordinary transactions continued with the aim of promoting the simplification and rationalisation of the companies operating in the waste collection, treatment and disposal sector, as well as the numerous acquisitions of special purpose vehicles holding renewable energy generation plants (wind and solar photovoltaic). For further details regarding the corporate aggregation process, reference should be made to section 3.5 "Significant events occurring after the end of the financial year" of the Report on Operations contained in this Annual Financial Report of the Magis Group for the 2025 financial year.

[ESRS_G1, DR G1-1, DP 7, 9]

> "We are among the leading Italian multi-utilities in terms of heritage and innovation. Our roots are in the Veneto region, but with determination and dedication we reach across the whole of Italy, operating in territories where every day we integrate energy, mobility, fibre, lighting and networks into a single multidimensional offering.
>
> Like the thread that connects tradition and the future, efficiency and human warmth, we represent the energy, technological, sustainable and digital transition that makes innovation tangible. Magis S.p.A. provides quality services but aspires to be much "more" ... it is an enabler of change, transforming cities and communities into intelligent, sustainable and connected places ... it is a guide for individuals and businesses towards conscious and sustainable choices ... it is the infrastructure, including the emotional infrastructure, of change ... it is the Company of the territories that returns the value generated to those territories"

The Magis Group bases its strategy on values aligned with its development ambitions:

- **CIVIC RESPONSIBILITY:** being a publicly controlled company is a defining characteristic of Magis S.p.A., which is committed every day to generating a positive impact on people's lives and in the territories in which it operates, combining public interest with industrial efficiency. A responsibility based on listening and sharing, developed and fostered through a strong relationship with the territory;
- **INSPIRATION:** Magis S.p.A. acts as a solid, competent and reliable guide that has supported communities and businesses for over one hundred years in addressing the major challenges of our time, from the more responsible use of resources to the need to make conscious and sustainable choices through the adoption of technology and digital solutions. Through concrete initiatives and simple communication, Magis S.p.A. serves as an educational and cultural reference that inspires communities by acting before communicating its actions;
- **SENSITIVE INNOVATION:** for Magis S.p.A., innovation means taking care of people's future, helping them live in harmony with technology. It is a vocation rooted in the industrial culture of Veneto, that of innovating by fostering shared progress to respond to real needs and generate widespread well-being. Whether in energy, district heating or digitalisation, for Magis S.p.A. innovation must be easy to use, clear to understand and useful in practice, serving as a tool that returns value to those who experience it on a daily basis.
- **GROUP SPIRIT:** recognising oneself in people even before in boundaries, because identity is born from a sense of belonging. Thus, being part of a group at Magis means sharing a common vision. Its history and industrial culture teach that progress is built together and that a company's successes are the successes of the territory that hosts it. A perspective that embraces the idea of collective and shared planning inside and outside the company, in which people work with the pride of feeling part of a bigger picture, intended for people, families, productive activities and local administrations.

As part of its business activities, the Magis Group considers it essential to carry out actions in line with the declared intentions and corporate values and rules. Furthermore, it considers fulfilling commitments important, seeking solutions to solve problems, communicating and acting with transparency in order to foster the engagement of stakeholders and, as a consequence, nurture their confidence.

To develop its activities, the Company embraces every new opportunity with courage, with the aim of pursuing the result with perseverance, passion and attention to the quality of the services offered.

In pursuit of its Mission, the Magis Group has adopted its Code of Ethics, which sets out the general principles and rules of conduct that the people operating in the name and on behalf of Magis are inspired by when carrying out their activities. The ethical principles adopted by the Magis Group are listed below:

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

The provisions of the Group's Code of Ethics are binding, with no exception, for the Directors, the employees and for all those who directly or indirectly establish relations with it, whether permanently or temporarily (collaborators, consultants, agents, attorneys or anyone else operating in the name, and on behalf, of the Company). Il Code of Ethics is published on the website https://www.gruppomagis.it/, distributed internally and promoted through specific company training. Being a Group means respecting people, their ideas and their identities, and being able to enhance the diversity of everyone.

[ESRS_2, SBM-1, DP 40e]

The Group aims at careful and responsible innovation as the foundation for looking at the future of the business, generating connections with the surrounding ecosystem and ensuring overall awareness for common benefit. The objective for the Group becomes:

"The world changes without stopping. We give it the right pace.

For more than one hundred years we have been there when reality changes to help communities, families and businesses to find their pace, with confidence.

We bring innovation, services and presence.

We help shape the future in the places where people live, work and grow."

For each of the sectors and Business Units that make up the Magis Group's value chain, the following paragraphs describe the characteristics of the business model, with particular reference to the products and services offered, the objectives and initiatives to be implemented, as well as the main sustainability performance achieved by the Magis Group during the 2025 financial year. For specific further details on the sales of electricity, gas and heat, please refer to the following section "3.4 Consumers and end users – ESRS S4".

1.2.2 Generation of electricity

[ESRS_2, SBM-1, DP 40f, 40g, 42c]

Within the Power Business Unit, the Magis Group's generation plants produce electricity from renewable sources (hydropower, wind and photovoltaic), for a total capacity of 229.0 MW of installed RES capacity (FER), and from traditional fossil sources (thermoelectric) for a total of 190.0 MW of installed non-RES capacity (NO-FER).

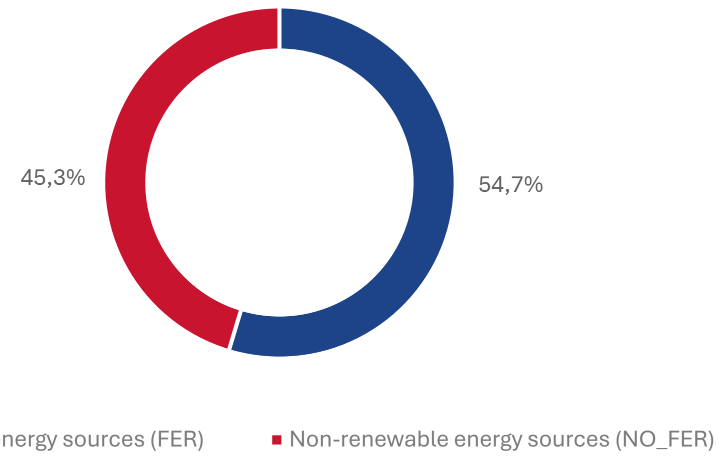

Figure 1 – Installed capacity mix for electricity generation

During the 2025 financial year, the electricity generated from plants powered by renewable sources (FER) amounted to 284 GWh and represented 81.8% of the total electricity produced by the Group's fleet of plants. The energy produced from non-renewable sources amounts to 63 GWh.

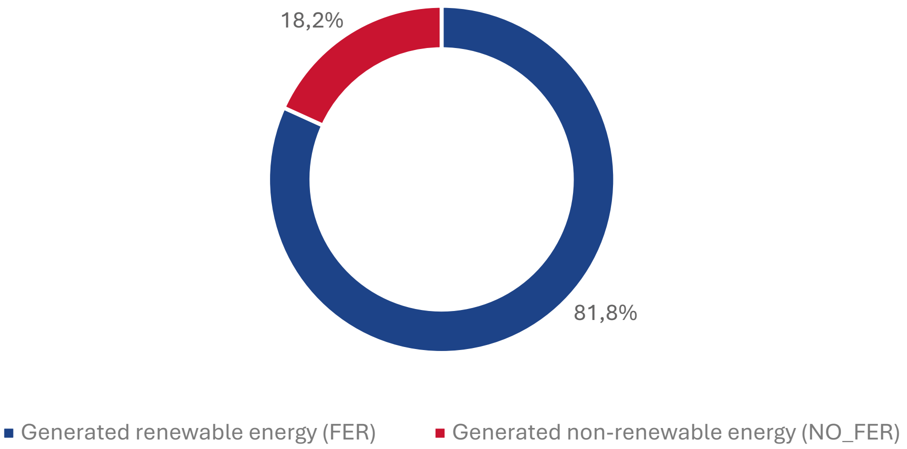

Figure 2 – Electricity production mix

Specifically, the Group's production sources of renewable energy comprise a total of 229.0 MW of installed power, unevenly distributed between:

- photovoltaic plants (50.9 MW);
- wind plants (110.7 MW);
- hydroelectric plants (67.4 MW), further divided into reservoir-based (54.2 MW) and run-of-river (13.1 MW) facilities.

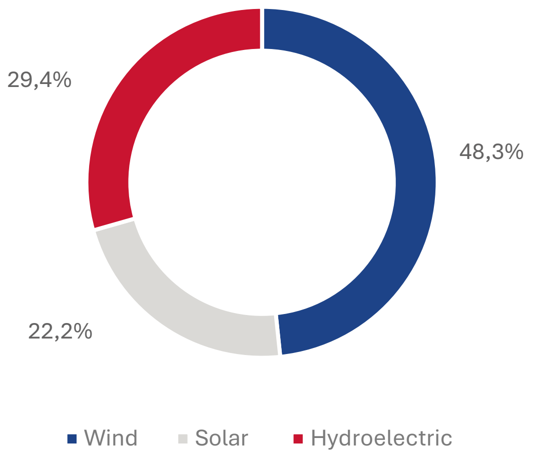

Figure 3 – Composition of the Group's renewable energy sources (FER) (so-called Installed Renewable Energy Capacity Mix)

During the 2025 financial year, the Power Business Unit recorded a decline in production compared with the previous year. The photovoltaic segment made a positive contribution, partially offsetting both the decrease in the hydroelectric segment—which fell sharply relative to the excellent performance of the prior year due to lower rainfall—and the reduced performance of the wind segment, reflecting lower wind conditions. The latter segment benefited from the additional production achieved in the final month of the year by the wind farms owned by the three recently acquired subsidiaries: Carapelle, Delsis, and Manfredonia.

With reference to the hydroelectric sector, the 2025 financial year saw lower output than the previous year, especially for the two reservoir plants of Maso Corona and San Colombano, while always remaining well above the historical annual averages. 2024 was an extraordinary year, with high output especially in the first six months of the year. The run-of-river plants of Belfiore and Diga Chievo achieved higher output than last year, while the Tombetta plant recorded a trend similar to that of the reservoir plants, with lower output than 2024 but higher than the historical averages for the period.

Energy from water
Magis' hydroelectric plants

In 2025, output in the wind sector was slightly higher than in the previous year, with an excellent January offset by lower windiness recorded in February. The subsequent months from March to September, albeit with a lower weight, were also characterised by low windiness, which affected overall output.

As of 26 November 2025, Magis Power S.r.l. acquired all shareholdings in Delsis S.r.l., Manfredonia S.r.l., and Carapelle S.r.l., companies operating in the renewable energy sector. This acquisition increased the total installed capacity of the wind segment by 52.3 MW, allocated as follows: Delsis 26 MW, Manfredonia 4.4 MW, and Carapelle 21.9 MW.

Wind Energy
Magis' wind farms

With regard to the photovoltaic sector, production was significantly higher than in the previous year, thanks to the connection of the Borgonovo and Calendasco plants at the end of 2024, adding a total of 9.5 MW of installed capacity. Solar irradiation recorded in the first and third quarters of 2025 was overall below historical period averages, affecting production levels even for plants already in operation in prior years. By contrast, production in the second quarter of 2025 was in line with budgeted expectations. Also worth noting is the connection of the photovoltaic plant in Carlino in February 2025, with an additional installed capacity of 2.7 MW. Finally, from the end of October 2025, Magis Power S.r.l. acquired all shareholdings in RF-Sirio S.r.l. and RF-Vega S.r.l., companies operating in the renewable energy sector, further increasing installed capacity by a total of 15 MW, allocated as follows: Sirio 7.6 MW and Vega 7.4 MW.

Sun Energy
Magis photovoltaic parks

The Group's production sources of non-renewable energy consist of 190.0 GW of installed power[1] at the Mincio thermoelectric power plant.

Output in the thermoelectric sector initially improved compared to the first quarter of last year. In particular, in February 2025, the Mincio plant also carried out start-ups for tuning tests on the gas turbine unit. In March, the energy scenario, characterised by a low-payoff combination of the PUN (Single National Price) and PSV (Virtual Trading Point) indices and CO2 quotas, did not favour the start-up of the plant throughout the month. This energy scenario also continued throughout the second quarter, and in August and September, allowing further start-ups of the plant only in July. The plant was subsequently started up again in the last two months of the year.

1 Il valore indicato è rappresentativo della quota parte di proprietà del Gruppo Magis pari al 50% della centrale termoelettrica di Ponti sul Mincio, dotata di una potenza complessiva installata pari a 380 MW.

Table 2 – Electricity generated broken down by type of production source (MWh)

Generation of electricity	2025		2024	
Total Non-Renewable	**63.281**	**18,2%**	**65.008**	**17,0%**
Generation of electricity - Thermoelectric	63.281	18,2%	65.008	17,0%
Total renewables	**284.162**	**81,8%**	**317.593**	**83,0%**
Generation of electricity - Hydroelectric	141.374	40,7%	200.841	52,5%
Generation of electricity - Photovoltaic	43.004	12,4%	22.117	5,8%
Generation of electricity - Wind	99.784	28,7%	94.634	24,7%
Total energy produced	**347.444**	**100,0%**	**382.600**	**100,0%**

1.2.3 Cogeneration production for district heating

[ESRS_2, SBM-1, DP 40f, 40g, 42c]

Within the Heat Business Unit and, in particular, through its subsidiary Magis Calore, the Group produces and distributes heat to customers connected to the district heating network in the municipalities of Verona and Vicenza. In particular, the company operates eight heat production plants (7 of which through cogeneration) with natural gas as energy input, a geothermal well and an extensive district heating network of approximately 210.4 km, which distributes heat to more than 141,000 equivalent inhabitants.

District heating is provided to users connected by the six networks, almost all of which are operated by natural gas cogeneration plants with a total installed electricity capacity of 55 MWe and an installed thermal capacity of 340 MWt.

The cogenerated electricity fed into the grid during the 2025 financial year amounted to 176 GWh, while the thermal energy produced and fed into the network amounted to 309 GWht.

With regard to the Heat Business Unit's heat production performance, the 2025 financial year was characterised, as in recent years, by milder temperatures than the historical averages for the period, especially in January and December. Demand for thermal energy is in fact substantially unchanged compared to last year.

Cogeneration of electricity was broadly in line with the previous financial year (-1.5%), with an excellent first half of the year offset by lower output in the second half. In particular, in October and November, the Borgo Trento power plant in Verona, which historically accounts for around half of the Heat Business Unit's electricity output, saw the completion of the works to install the two new cogeneration engines, with consequent impacts on production, which reached full operation only from mid-December 2025. The project involved replacing the combined-cycle plant, which had reached the end of its service life, with a new cogeneration plant based on two natural gas-fired Otto-cycle reciprocating engines. In addition to the engines, the recovery systems, all auxiliary systems, and the plant's control and supervision systems were also revamped. The total capacity of the two engines is 12.5 MWe and 12.5 MWt each, with an overall efficiency of 91% compared to 75% for the engines currently used in the other plants.

Magis' district heating
Cogeneration and geothermal plants

Management of cogeneration plants and their emissions

In general, managing district heating plants has the primary objective of maximising the energy transformation yields of heat and electricity generation equipment, in order to ensure compliance with mandatory regulations and minimise the impact of emissions, thus improving environmental performance.

Cogeneration plants associated with district heating networks owned by the Magis Group are subject to the "Emission trading" Directive – EU 2003/87/EC and subsequent amendments updated by Directive (EU) 2018/410, establishing the greenhouse gas "emissions market".

For two of the eight cogeneration plants (Golosine and Forte Procolo Power Plants), in relation to the characteristics of their production capacity, Magis opted out of the emission trading regulation. For these plants, there is no allocation of quotas or obligation for restitution, but there are emission limits and annual compensation requirements. For the 2025 financial year, no compensation obligations are expected..

Strategic development objectives and upcoming projects

As part of the 2025-2030 Business Plan adopted by the Magis Group, in the coming years the Heat Business Unit plans investments of approximately Euro 98 million with the aim of:

- further extending the district heating network in the cities of Verona and Vicenza;
- upgrading cogeneration plants and, more generally, heat energy production systems, also thanks to the development of geothermal energy, in order to support the energy transition and the progressive decarbonisation of the heat generation and distribution sector;
- increasing the thermal energy produced and sold.

The achievement of the strategic objectives briefly described above has already been realised through participation in the regional PR Veneto ERDF 2021-2027 call for proposals, which enabled Magis Calore to obtain two grants from the Veneto Region with a total value of Euro 6 million, earmarked for the development and strengthening of the district heating networks in the cities of Vicenza and Verona.

The call in question is dedicated to the construction, sustainable efficiency improvements, recovery and expansion of district heating networks, supporting the decarbonisation and the energy transition of the areas concerned.

In particular, Magis Calore submitted two separate projects, both approved for funding following the publication of Decree no. 719 of 19 December 2025, one for the city of Vicenza and one for Verona (Euro 3 million per project).

In Vicenza, the Est-1 project provides, by the end of 2028, for:

- the expansion of the district heating network by a further 2.25 km, allowing the simultaneous resolution of certain critical issues affecting the existing network;
- an increase in the number of users served by 16.8%, with the number of exchange substations rising from 199 to 232;
- an increase in the production of thermal energy from renewable sources (geothermal energy) at the Cricoli power plant;

- a reduction in overall consumption of fossil fuels (natural gas);
- annual CO_2 emissions savings post-intervention of 3,689 tonnes of CO_2 equivalent;
- the use of high-efficiency cogeneration units and the recovery of waste heat via heat pumps.
- The total investment for the Vicenza East-1 Project is estimated at Euro 6.9 million.

With a time horizon to 2028, the West Project in Verona provides for:

- an increase in the total serviced volume to approximately 3.62 million m^3 (+3.3%);
- an increase in annual thermal energy supplied to approximately 116.3 GWh (+3.1%);
- the extension of the district heating network by a further 2.29 km;
- annual CO_2 emissions savings post-intervention equivalent to 9,759 tonnes;
- the revamping of the Borgo Trento and Forte Procolo plants, with the installation of high-efficiency cogeneration plants and waste heat recovery systems via heat pumps.

The total investment for the Verona West Project is estimated at Euro 6.8 million.

Table 3 – Characteristics of the district heating network and heat production and cogeneration plants

District heating service data	U.M.	2025	2024
Length of network	Kilometres	210,4	200,0
Thermal energy introduced into the network	Kilowatt-hours	309.211.928	309.327.675
Electricity fed into the grid	Kilowatt-hours	175.598.609	178.315.133
Heated volume - estimate (*)	Cubic metres	15.493.946	15.441.533
Number of equivalent apartments (*)	Number	69.169	68.935
Number of equivalent inhabitants served (estimate)	Number	141.389	140.910
Installed electrical capacity	Kilowatts	55.329	61.597
Installed thermal capacity	Kilowatts	340.121	348.300

(*) residential housing unit with trading area and volume of 80 m2 and 224 m3 respectively

1.2.4 Distribution of electricity and natural gas

[ESRS_2, SBM-1, DP 40f, 40g, 42c]

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

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

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

V-Reti ranks among the most exemplary distribution companies in Italy

The final data prepared in 2025 by the Italian Regulatory Authority for Electricity, Gas and Water (ARERA) relating to the 2024 financial year confirmed V-Reti as one of Italy's most exemplary distribution companies in terms of service standards and quality. Among the parameters considered by the Authority, it is possible to indicate the performance achieved in managing distribution networks in the following areas:

- **in the municipalities of Verona and Grezzana (VR), an average duration of annual service interruptions of less than 12 minutes and an average number of annual interruptions per customer of 0.8 were recorded;**
- **in the City of Vicenza, an average duration of annual service interruptions of less than 26 and a half minutes and an average number of annual interruptions per customer of 1.5 were recorded.**

These results were achieved thanks to the dedication and high professionalism of the distribution service operators and to the constant and increasing planned and executed investments in the electricity distribution networks, amounting to Euro 29.8 million in 2024 and a further Euro 25.2 million in the 2025 financial year.

Exceeding the targets set by the Authority enabled V-Reti to receive Euro 326 thousand in rewards from ARERA, up 35.8% compared to Euro 240 thousand in the previous financial year.

Electricity distribution service

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

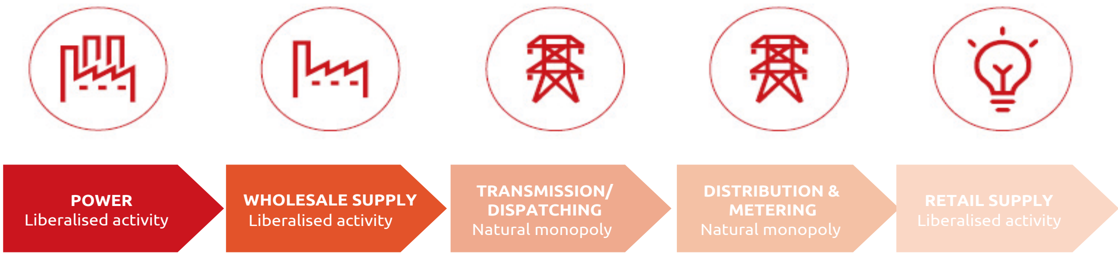

Figure 4 – Electricity supply chain

V-Reti mainly carries out the transformation, distribution and measurement of electricity throughout the Municipalities of Verona, Vicenza and Grezzana with an extension of about 4,680 km between Low Voltage (LV), Medium Voltage (MV) and High Voltage (HV).

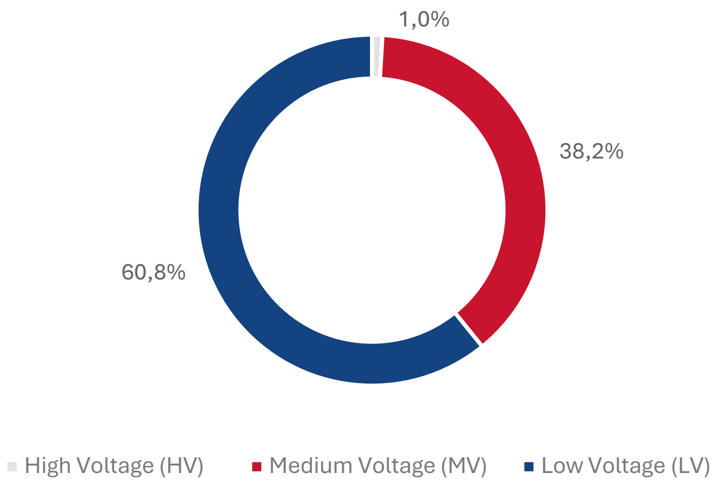

Figure 5 – Breakdown of the electricity network by voltage levels

Table 4 – Characteristics of the electricity distribution network

Electricity network extension (Km)	U.M.	2025	2024
High voltage network	Kilometres	45	45
Medium Voltage Network	Kilometres	1.788	1.789
Low voltage network	Kilometres	2.847	2.789
Total	**Kilometres**	**4.680**	**4.623**

The electricity fed into the grid during the 2025 financial year totalled approximately 2,871 GWh, distributed across low, medium and high voltage levels.

Table 5 – Electricity transported and distributed to customers

Distributed Electricity (MWh)	U.M.	2025	2024
High voltage network	Megawatt-hours	1.259.260	1.177.712
Medium Voltage Network*	Megawatt-hours	674.878	675.751
Low voltage network	Megawatt-hours	936.870	950.437
Total	**Megawatt-hours**	**2.871.009**	**2.803.900**

During the 2025 financial year, V-Reti managed a total of 320 thousand PoDs (Point of Delivery) and approximately 281 thousand meters, of which around 254 thousand were active (equal to 90.4% of the total).

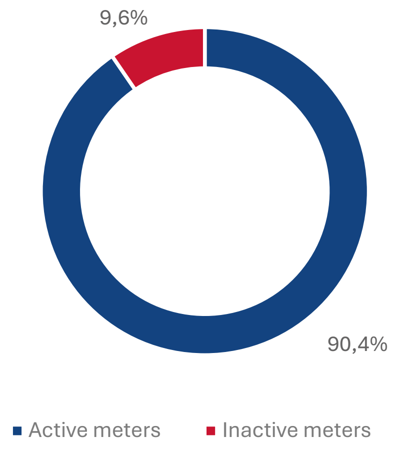

Figure 6 – Breakdown of electricity meters managed between active and inactive

The number of meters connected to the distribution network reached approximately 281 thousand in 2025, of which 90.4% were active. There are approximately 266 thousand 2G smart meters installed (equal to 94.8% of the total).

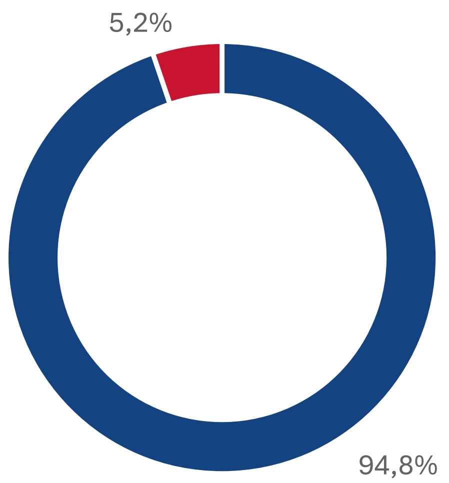

Figure 7 – Distribution of electricity meters by type

Table 6 – Electricity supply points managed

POD Summary (no.)	U.M.	2025	2024
Low voltage POD	Unit	318.372	315.565
Medium and High Voltage POD	Unit	1.163	1.122
Total	**Unit**	**319.535**	**316.687**

During the reporting period, V-Reti continued its activities to replace and modernise its electricity meters. The 2G meters play a crucial role in achieving decarbonisation and energy efficiency objectives, while addressing the evolving requirements of the electricity sector. The V-Reti meter replacement project will ensure prompt and reliable metering of consumption, facilitate its control by end customers, allow the reduction of adjustments and an improvement in the service quality.

The roll-out plan for the 2G smart metering system (PMS2) scheduled by V-Reti complies with the functional specifications established by ARERA under Resolution 87/2016/R/eel, adopted pursuant to the provisions of Legislative Decree No. 102 of 4 July 2014, implementing European Directive 2012/27/EU on energy efficiency and improvements to the national electricity system as a whole.

In order to inform the public and local stakeholders about the plan to replace electricity meters in the municipalities served by V-Reti, the “Contatore 2G, Uno di Famiglia” (2G Meter, One of the Family) communication campaign was created.

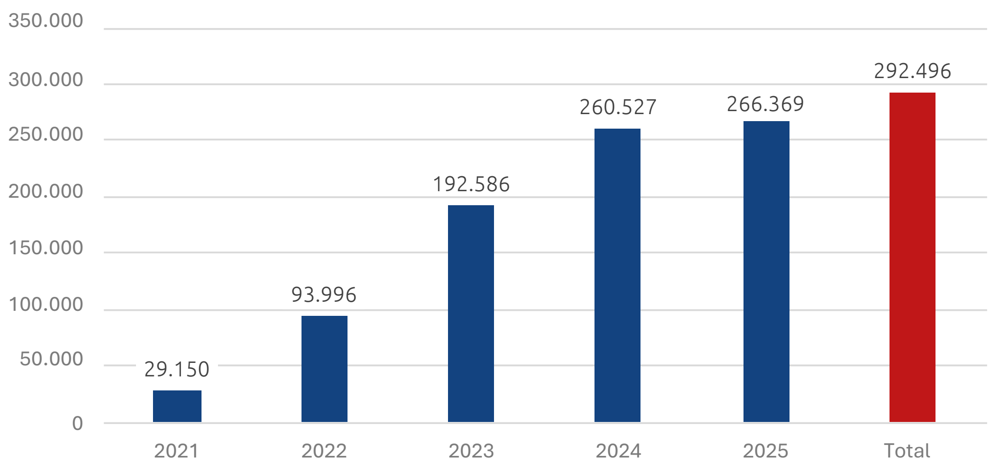

Figure 8 – 2G smart meter replacement progress

During the 2025 financial year, as in the previous financial year, ARERA recognised (see resolution 418/2025/R/eel) a prize of Euro 400,000 for V-Reti for having implemented resilience measures that improved the quality of the electricity service in the municipality of Vicenza.

Through advanced engineering solutions and a safety plan, the distribution company has carried out structural interventions that will protect the substations from flooding, thereby enhancing the network’s resilience and service stability even during extreme weather events.

In 2024, the Verona and Vicenza control rooms were merged and the new ADMS (Advance Distribution Management System) was commissioned for operating the electricity grid. Subsequently, during the 2025 financial year, some additional features were developed for network modelling, integration with the emergency call centre and on-site fault management using mobile devices. In addition, training activities for internal and external staff (call centre) and a review of processes were launched, with the aim of commissioning these new features by the first half of 2026.

Quality of the electricity distribution service

For the 2025 financial year, the quality of electricity distribution and metering services is regulated by ARERA in two separate regulatory texts approved with resolution 617/2023/R/eel: the Consolidated text of output based regulation of the distribution service (TIQD 2024 2027) and the Consolidated text of the commercial quality of distribution and metering services (TIQC 2024).

These measures replace the previous TIQE 2020 2023 and reorganise quality regulation by assigning to the TIQD the rules on service continuity, technical indicators and incentive mechanisms linked to network outputs, and to the TIQC the definition of specific and overall levels of commercial quality and the related automatic compensation due to users in the event of failure to comply with the standards.

The new quality regulatory framework fits into a context of the progressive overall evolution of the tariff framework and cost recognition criteria, driven by the ROSS base methodology, introduced in 2024 for distribution and metering services.

In 2025, ARERA in fact started updating some aspects of ROSS base by adopting resolution 390/2025/R/com, with reference to the capitalisation rate and the application of the so-called "z-factor". The same resolution also introduced, on a trial basis, tools such as multi-year regulatory business plans and cost-assessment mechanisms, which represent the first steps towards the future evolution of regulation towards ROSS integrale, intended to link technical and commercial quality levels more structurally with the total expenditure recognised for operators.

Compliance with commercial quality standards is constantly monitored through the use of dedicated software that can transmit alerts at the same time as every anomaly that is recorded and may generate an order for automatic compensation to be paid.

In 2025, V-Reti was 99.8% compliant with the specific commercial quality standards for electricity. The average time for activating the supply corresponds to 0.29 working days while the average time for reactivating the supply following suspension due to lack of payment is 0.06 working days.

Table 7 – Electricity distribution service quality indicators

Quality standards of service offered by distribution companies	U.M.	2025	2024
Total number of services performed	Unit	17.268	18.389
Total number of LV/MV supply activation cases	Unit	11.319	10.933
Total number of LV/MV supply reactivation cases following suspension due to lack of payment	Unit	5.949	7.456

Natural gas management and distribution service

[ESRS_2, SBM-1, DP 40d]

The distribution service carried out by V-Reti guarantees the withdrawal of methane gas from Snam Rete Gas pipelines and transport, through local networks, for delivery to end users[2] .

V-Reti carries out the natural gas distribution service in the following municipalities:

- Verona and in the province in Badia Calavena, Illasi, Selva di Progno and Tregnago and, for a small number of users, in Bussolengo, Buttapietra and S. Giovanni Lupatoto;
- Vicenza and in the province in Altavilla Vicentina, Altissimo, Arcugnano, Arzignano, Bolzano Vicentino, Bressanvido, Chiampo, Creazzo, Crespadoro, Grumolo delle Abbadesse, Longare, Montegalda, Monticello Conte Otto, Nogarole Vicentino, Pozzoleone, Quinto Vicentino, S.P. Mussolino, Torri di Quartesolo, Villaverla and Nanto;
- municipality of Goito in the province of Mantua;
- municipalities of Gazzo and Grantorto in the province of Padua;
- Treviso on behalf of the Parent Company, holder of the service concession.

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

2 For more details on revenue deriving from the natural gas management and distribution service, please refer to Chapter “3. Consolidated results and management performance” of the Report on Operations.

The gas network managed by the Magis Group extends for 3,240 km divided into high, medium and low pressure.

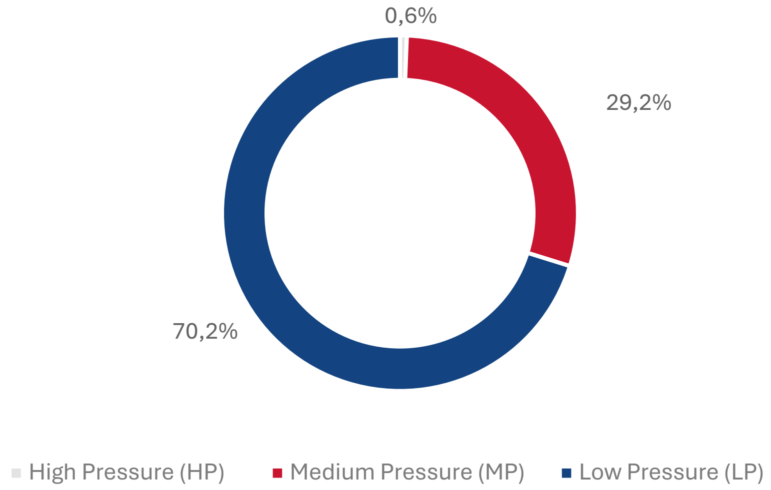

Figure 9 – Breakdown of the gas network by pressure levels

Table 8 – Characteristics of the gas distribution network

Gas network length (km)	U.M.	2025	2024
High-pressure network	Kilometres	20	20
Medium-pressure network	Kilometres	947	947
Low-pressure network	Kilometres	2.273	2.277
Total	**Kilometres**	**3.240**	**3.244**

The infrastructure for the distribution of gas resources is made of different materials, the choice of which comes from technological and performance requirements.

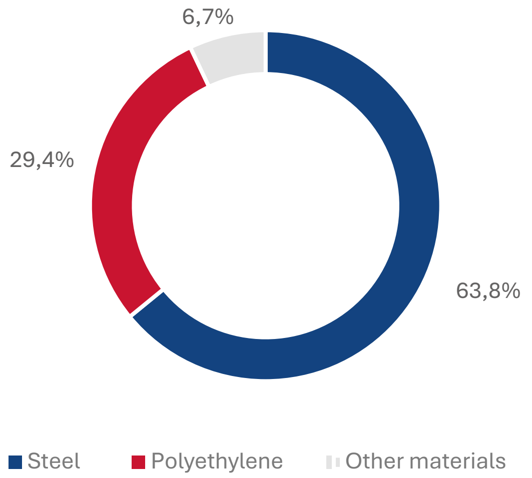

Figure 10 – Breakdown of the gas network by pipeline type

Table 9 – Types of pipelines used for gas distribution

Gas network pipelines (Km)	U.M.	2025	2024
Steel	Kilometres	2.068	2.079
Polyethylene	Kilometres	954	936
Other materials	Kilometres	218	229
Total	**Kilometres**	**3.240**	**3.244**

The Magis Group is committed to reducing leaks by gradually renewing the network. The correct management of gas distribution systems and networks, the usage of competent resources and the use of suitable instrumentation, together with continuous monitoring, are the main elements to guarantee the safety of citizens, preventing potential impacts and accidents. During the 2025 financial year, V-Reti managed a total of 355 thousand PdRs (Punti di Riconsegna – Delivery Points) and approximately 323 thousand meters, of which around 291 thousand were active (equal to 90.0%).

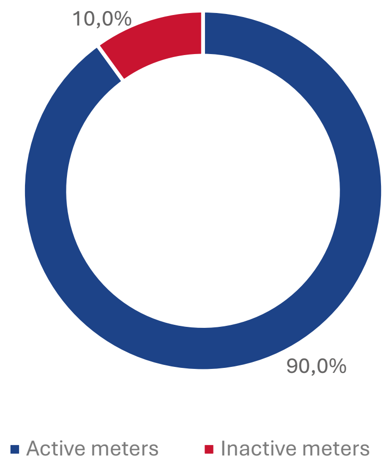

Figure 11 – Breakdown of meters managed between active and inactive

During 2025, investments in modernising the network's infrastructure led to an important campaign to replace traditional meters (active and non-active) with the so-called "smart meters", latest generation electronic meters with remote control features, as well as a digitisation campaign to increase resilience and achieve energy savings. Smart meters managed by V-Reti are around 307 thousand and represent 94.9% of the meters managed by the Magis Group.

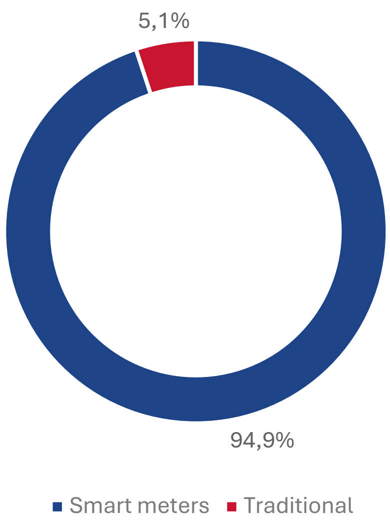

Figure 12 – Distribution of meters by type

The volume of gas fed into the distribution network during the 2025 financial year was equal to 502.7 million Scm.

Table 10 – Gas transported and distributed to customers

Gas injected into the network (Million Scm)	U.M.	2025	2024
Vicenza and province	Mil. Scm	227,0	226,3
Province of Padua	Mil. Scm	4,6	4,6
Treviso	Mil. Scm	57,9	56,7
Province of Verona	Mil. Scm	206,1	208,9
Province of Mantua	Mil. Scm	7,0	6,9
Total	**Mil. Scm**	**502,7**	**503,3**

The dispersion of methane gas in the atmosphere is one of the elements that has the greatest impact on the environment and on safety during normal operation of the gas distribution service. Methane gas, which is naturally odourless and colourless, is constantly odorised in the collection and metering plants, through a controlled and tested procedure, so that humans can smell it in the event of a leak or of accidental use, and thus limit the risk of harmful or dangerous phenomena. It represents both a dangerous element because of its flammability, and a polluting element because of the high capacity to retain terrestrial infra-red radiation, which classifies it as a greenhouse gas. For these reasons, the containment and resolution of gas dispersion represent the main aim on which the safety, quality and continuity of the service are based. In order to monitor these risks, the principal monitoring systems distributed are remote control systems that monitor the distribution system's key parameters, and the alarm systems that discourage or give warning of intentional acts. Moreover, planned checks are constantly made for any gas leaks from piping, together with the routine and extraordinary maintenance of the networks.

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

White Certificates (Energy Efficiency Certificates)

The White Certificates or Energy Efficiency Certificates (EEC) are tradable securities that certify the energy savings achieved in end uses of energy, implementing measures to increase energy efficiency. The promotion of energy savings through the system of the White Certificates is provided for by the Ministerial Decrees of 20 July 2004 (Ministerial Decree 20/7/04 on electricity, Ministerial Decree 20/7/04 on gas, as amended).

“Obliged” distributors of electricity and natural gas are expected to meet certain targets each year in terms of energy savings, measurable in Tonnes of Oil Equivalent (TOE) saved; each White Certificate is equivalent to savings of one Tonne of Oil Equivalent.

In 2025, ARERA awarded the Magis Group more than 6 thousand white certificates for electricity distribution and around 10 thousand white certificates for natural gas distribution.

In addition to energy distributors, other voluntary parties, typically energy service companies (ESCOs) or companies that have appointed a certified energy management expert (EGE) may also participate in the mechanism.

The voluntary parties are all the operators that freely choose to carry out consumption reduction measures in end uses of energy, and to whom the right to receive the corresponding quantity of white certificates is assigned..

Table 11 – Energy Efficiency Certificates (TEE)

White certificates (no.)	U.M.	2025	2024
Gas	Number	10.065	24.217
Energy	Number	6.250	7.016
Total	**Number**	**16.315**	**31.233**

Quality in natural gas distribution service

To distribute natural gas, V-Reti manages the transport of gas through local pipeline networks, for delivery to end users through two phases:

- the pick-up of gas from Snam Rete Gas' pipelines through first-stage pick-up points;
- transport and distribution to end users.

Gas distribution activities are carried out by the Magis Group according to the rules of functional unbundling envisaged for vertically integrated companies in the sector, in compliance with the principles of economy and profitability and the confidentiality of company data for the purpose of promoting continuity, efficiency and adequate quality levels in the service provided.

The natural gas distribution service makes reference to the commercial quality parameters set by ARERA. In 2025, the minimum times and levels required by the Gas Distribution Service Quality Regulation (RQDG) were widely complied with.

With reference to the Magis Group's distribution companies, commercial quality standards were 99.2% complied with in 2025. The average time for activating the supply corresponds to 2.95 working days while the average time for reactivating the supply following suspension due to lack of payment is 1.16 working days.

Table 12 – Gas distribution service quality indicators [3]

Quality standards of service offered by distribution companies	U.M.	2025	2024
Total number of GAS services performed	Unit	18.525	18.610
Total number of simple services	Unit	1.124	1.467
Total number of complex services	Unit	258	243
Total number of supply activation cases	Unit	7.427	7.289
Total number of supply reactivation cases following suspension due to lack of payment	Unit	1.849	1.980

3 It should be noted that the values for "Total number of GAS services performed" relating to FY 2024 were recalculated in order to ensure methodological consistency and correct comparability with FY 2025

1.2.5 Smart services

[ESRS_2, SBM-1, DP 40f, 40g, 42c]

The Smart Business Unit's mission is to facilitate the transition towards electrification of the territories served through innovative and smart solutions. Its areas of expertise include electric mobility, public lighting, telecommunications, management of car parks and energy efficiency solutions for buildings.

Innovation and sustainability drive Smart's choices, activities and projects. On the public lighting front, the BU manages around 82 thousand lighting points, 96.4% of which are LED, thus ensuring efficiency, energy savings and compliance with light pollution directives. Furthermore, to enhance the smart approach of the provinces of Verona, Vicenza and Brescia, it is committed to expanding its electric mobility offer by increasing the number of charging stations in the area.

Smart is a partner of local communities and businesses to support them in their energy transition through five business lines:

- connectivity and telecommunications
- public lighting
- energy efficiency and redevelopment of public buildings
- electric mobility and pay parking area management
- smart city services for the territories and communities

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

Electric mobility

Sustainable mobility plays an important role not only in terms of the smart growth of the cities served but more generally for implementing a truly sustainable approach for the community and the territory.

In this regard, Smart proposes the creation of charging systems for electric vehicles and parking spaces dedicated to their parking and hardware and software system management for remote control and the use of charging stations by customers.

The Group actively contributes by proactively participating in the transformation of city mobility through the E-MOBILITY project, a service that uses modern charging infrastructures and a dedicated digital platform to promote city electric mobility.

During 2025, Smart's 275 public charging sockets delivered a total of 987 MWh.

The charging service can be activated by the end customer through the "Magis E-mobility" application and manages the entire car charging process, from the identification of the stations to the start of the service and its completion.

Charging stations provide a charging session of up to 300 minutes, with the requirement to move the vehicle within one hour of the end of the service. On the other hand, at night, the car can be parked with the cable connected from 11.00 pm to 7.00 am.

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

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

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

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

- Small, valid for 30 kWh
- Medium, valid for 75 kWh
- Large, valid for 150 kWh

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

Public Lighting

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

Table 13 – Municipalities where the public lighting service is managed

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

In 2025, the Smart Business Unit continued to provide the management service for the public lighting network (approximately 1,051.5 km long) in the Municipality of Verona, since ownership of the distribution asset lies with the Magis Group.

The Smart Business Unit has also signed several concessions with other municipalities to upgrade the public lighting system to LED, as well as for operation and maintenance for medium-long periods, with the task of designing and replacing the gas-discharge lamps with LED lamps. In addition, there are plans for the next phase of the public lighting service and for the operation and maintenance/remote control with troubleshooting and service restoration activities.

Smart is directly responsible for the construction, design, and maintenance of public lighting systems in the territories, employing state-of-the-art technologies to ensure reduced energy consumption, minimise light pollution, and protect the environment.

All the new systems are provided with lighting equipment able to offer performance that complies with the regulations prohibiting the emission of upwards light to eliminate the effects of light pollution.

The lighting points managed by the Group are around 82 thousand, 96.4% of which are high energy-efficiency LED lighting fixtures.

The sustainable nature of the service is highlighted by the huge saving in terms of not only light pollution, but also greenhouse gas emissions saved.

The main values that characterise the public lighting service include:

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

Table 14 – Characteristics of the public lighting service

Lighting fixtures and public lighting network	U.M.	2025	2024
Lighting points managed (total)	Number	81.974	81.764
of which LED	Number	79.025	73.503
Percentage of LED lighting points as a proportion of the total	**%**	**96,4%**	**89,9%**
Length of network in km	Kilometres	1.051,5	1.051,5

Telecommunications

The Magis Group operates in the provinces of Verona and Vicenza through a complex fibre optic telecommunications infrastructure. The optic infrastructure stretches throughout the city areas and also reaches the main population centres in the Provinces of Verona and Vicenza for a total length of approximately 722 kilometres. The telecommunications network of the Magis Group is designed to collect data traffic in urban and non-urban areas, providing the public administration, TLC operators and businesses with a portfolio of services featuring high levels of reliability and performance.

In the Vicenza area, the optical fibre network is sold in the "dark fibre" mode by national telecommunications operators, which in turn use it to provide private e-business customers with broadband telephone and telematic connectivity services in the FTTC (Fibre To The Cabinet) and FTTH (Fibre To The House) modes.

Among the main network connections are: Magis Group offices in the Vicenza area, SVT offices, Viacqua offices, municipal administration buildings, provincial administration offices, car parks, electrical substations, US military bases, Vicenza Fair, courthouse, hospital, university, Vodafone cabinets, and the 5G network.

From an infrastructural point of view, the telecommunications network employed is generally of the ring variety, thus reducing to a minimum any inefficiencies due to faults.

Smart also manages optical fibre connections among various company offices of the Group and the computer systems adopted to safeguard the technological network used to monitor and control operations. The response service is available for 24 hours a day, 365 days a year.

The Group's telecommunications network has a distinctive feature that sets it apart from other similar networks: it is a fully private network connecting various users on a point-to-point basis, with a dedicated optical fibre for each user point. This allows completely isolated data transmission within the network in order to guarantee a very high level of security and confidentiality of the transmitted communications and data.

In the Verona area, the optical fibre network managed by Smart is a telecommunications infrastructure that makes use of the capillarity of the subsoil to achieve high coverage in the area.

The service extends across five municipalities, starting from Peschiera del Garda, passing through Verona and reaching Vicenza. A route also starts from Verona that reaches, through the high voltage lines, the Ala power plant.

The metropolitan network is divided into 10 POPs (Points of Presence) connected to each other in a ring to allow high reliability in the event of a section failure.

Through the "RST – Local Services Network", high value-added services are provided, such as:

- VMPs (variable message panels) that provide public utility information to citizens and visitors;
- Number plate reading systems;
- Traffic lights that use the network for traffic programming by detecting active traffic, together with coils placed under the asphalt;
- Emergency call boxes. A network of safety points available to the community;
- Limited Traffic Zone gates controlling access to the city centre of Verona;
- Security cameras. Over 470 cameras guaranteeing constant monitoring by the local police and the police headquarters through the remote viewing of images by means of an optical fibre connection;
- Public Wi-Fi. The connection (freewifi@verona) is provided in the city's main areas as a public service to access the Internet. Under specific agreements, the service is also distributed to the Integrated University Hospital (hospitals of Borgo Trento and Borgo Roma) and to the Verona University. More than 3,000 antennas provide daily access to thousands of citizens and tourists;
- Public utility sites. The collaboration with the Municipality of Verona made it possible to bring the internet to the public sites of primary interest. To name but a few: public buildings, libraries, museums and theatres.

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

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

For the 54 customers who have signed a contract with the company, the toll-free number 800 394 800 and a 24-hour/365-day support and maintenance service are available.

Customers of the telecommunications service fall into three main categories:

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

During the reporting period, Magis Smart handled 1,038 tickets relating to reports and/or service requests from customers.

The infrastructure development plan provides for the use of existing networks and cable conduits owned by the Magis Group. This synergy will reduce excavation activities to lay new cables, limiting the impact on the territory and the inconvenience for citizens.

Car parks and car parking services

Smart manages ground-level and underground car parks and free and paid parking areas in the City of Vicenza, for a total of 2,254 parking spaces (including 1,724 barrier car parks and 530 pay-and-display car parks (i.e. blue-marked parking spaces).

During the reporting period, around 923 thousand vehicles entered the barrier car parks managed by the Group.

Convenient and smart is the parking payment method for blue-marked parking spaces and in barrier car parks, guaranteed by the various operating systems available (Android and iPhone). Blue-marked parking spaces in the city of Vicenza can be paid in cash, in the appropriate parking meters, through the EasyPark, MyCicero and MAGISFACILE apps (a customised app for parking in the Municipality of Vicenza).

In order to innovate and facilitate parking, the “POSsibile” payment service is operational at the city’s five barrier-controlled car parks. Vicenza was the first Italian city to introduce this “Card in – Card out” contactless payment system, which is based on the use of a credit/debit card and a smartphone. POSsibile makes it possible to avoid using cash and having to get out of the car while paying. This system can be used by all those who possess a contactless card, and does not require any registration or pre-authorisation.

The barrier car parks managed by Smart are equipped with POS readers where payment can be made with electronic cards, making the payment process easier and faster.

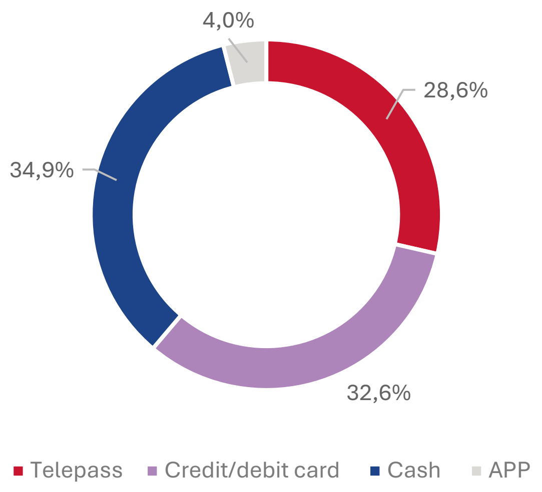


Figure 13 – Payment methods used

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

Table 15 – Parking and stopping service characteristics

Managed parking spaces (no.)	U.M.	2025	2024
Yellow-marked parking spaces	Number	0	0
Blue-marked parking spaces	Number	530	778
Barrier car parks spaces	Number	1.724	1.574
Total parking spaces	**Number**	**2.254**	**2.352**
Total cars entering the car parks	Number	922.697	819.574

1.2.6 Environmental services

[ESRS_2, SBM-1, DP 40f, 40g, 42c]

Through the Environment Business Unit, the Magis Group deals with both waste collection, treatment and recovery activities and urban health. The Group is also committed to the development and strengthening of material treatment plants with the aim of optimising the management of waste flows.

In carrying out its activities, the Group is committed to new circular economy models. Both in the waste sorting and treatment sector and in the plant sector, the Environment Business Unit is aware that the transformation and valorisation of waste materials is a necessary resource to support the sustainability of our industrial system.

The Environment BU intends to ensure the sustainable quality of the services offered, aiming to reduce malfunctions or service disruptions thanks to an infrastructure network closely related to the territory, which guarantees speed and control.

Waste collection

Specifically, through its subsidiaries Valore Ambiente, SERIT and Eco Tirana, the Magis Group takes care of waste collection and disposal, with particular attention to sorted waste collection, recycling processes and proper disposal. The collection of urban waste is mainly managed through door-to-door collection systems and roadside and mixed collection systems.

The method of waste collection is also diversified based on the real nature of the territory served and the characterisation of the users, in particular supplementary home services for specific types of waste are active for non-domestic users.

In the Municipality of Vicenza, Residual Urban Waste (RUR) is collected at the Monte Crocetta transfer station, where it undergoes sorting and/or shredding operations, and is subsequently sent to the two final basin facilities:

- the Grumolo delle Abbadesse landfill, managed by SIA, a subsidiary of the Magis Group;
- the Schio Waste-to-Energy Plant, owned by VIAmbiente S.p.A. (Alto vicentino Ambiente – AVA).

During the 2025 financial year, the companies of the Environment Business Unit collected 579.6 thousand tonnes of urban waste in the 65 Italian municipalities served, with a population of about 616,000 inhabitants, and a further estimated 536,000 inhabitants in the metropolitan area of Tirana in Albania.

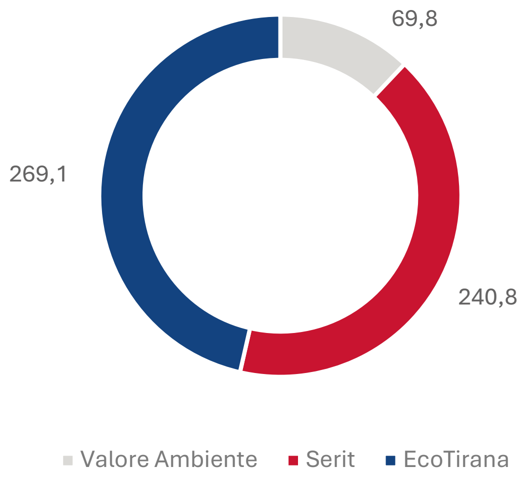


Figure 14 – Waste collected (tonnes/000)

As part of its waste collection activities, the Magis Group provides citizens with a mobile recycling service, consisting of a mobile container placed daily near local markets for the disposal of seven specific types of waste: small household appliances; used clothing; batteries; expired medicines; flammable and hazardous waste; fluorescent and energy-saving lamps. In addition to the practical waste collection function, mobile recycling serves as a communication vehicle for raising awareness among citizens.

In order to promote the proper collection and disposal of bulky waste, the Magis Group provides citizens with a bulky waste collection service at home with the collaboration of social cooperatives in equipped recycling plants.

Finally, the Magis Group provides a monitoring service for the "unauthorised" disposal of waste, concerning refuse abandoned outside the designated containers.

The Collection Centres are at the service of all domestic users for the correct disposal of bulky and recyclable waste. The Group companies directly manage 65 collection centres, 4 in the Vicenza area and 61 in the Province of Verona. The four recycling centres active in the Municipality of Vicenza and managed by Valore Ambiente are at the service of all domestic users for the correct disposal of bulky and recyclable waste. Access is also allowed to non-domestic users, covered by Annex L-quinquies to Part IV of Legislative Decree 152/2006, only for the waste indicated in Annex L-quater of the same decree, subject to filling in a specific form.

The collection centres in the reference area, managed through Valore Ambiente and SERIT, are designed with the aim of encouraging the sorted waste collection and recycling of recoverable materials.

In order to guarantee the achievement of the Circular Economy objectives, including the extension of the life cycle of products, specific areas have been set up in two Collection Centres of the Municipality of Vicenza where citizens can provide waste that they intend to dispose of but that can potentially be sent for reuse.

Waste treatment

During the 2025 financial year, the companies in the Environment Business Unit treated 244.8 tonnes of waste.

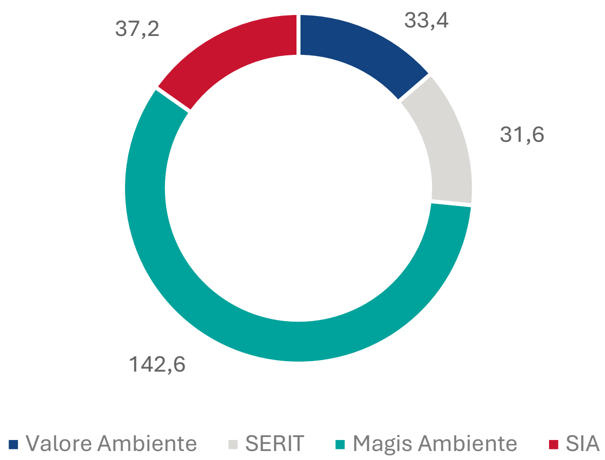


Figure 15 – Treated waste (tonnes)

Material recovery facilities

The subsidiary SERIT operates, in Cavaion Veronese (VR), a plant for the selection and recovery of urban paper and plastic waste which during 2025 treated 31.6 thousand tonnes of waste.

In the Cavaion plant, also known as the Centro Comprensoriale (CC, District Centre), as part of the COREPLA (National Consortium for the Collection, Recycling and Recovery of Plastic Packaging) circuit, the plastic resulting from sorted waste collection is pre-cleaned through a sorting process. Subsequently, the product is pressed and sent to the COREPLA Sorting and Storage Centres. This step is fundamental in the recycling process, since one of the biggest problems in sorted waste collection is precisely related to the presence of foreign material.

Through Magis Ambiente, a facility in the Verona area is operated for the treatment of non-hazardous municipal waste (primarily bulky items, wood, and paper) and non-hazardous special waste. The volume of waste managed in 2025 at the site located in Zevio (VR) amounted to 53.1 thousand tonnes.

Magis Ambiente also manages a mechanical treatment plant at the Ca' del Bue site, where urban waste coming from the city of Verona is treated for a total of 89.5 thousand tonnes during the 2025 financial year. The Ca' del Bue plant is authorised to treat 156,000 tonnes and carries out waste sorting and selection at the site, followed by refinement, resulting in the production of Refuse-Derived Fuel (RDF) suitable for use in industrial processes.

Mechanical treatment plant

In the Vicenza area, Valore Ambiente manages a transfer platform with volume shredder (shredding), storage, sorting and recovery of urban waste from collection in the Municipality of Vicenza together with other smaller quantities of waste from other adjacent municipalities. The volumes handled in the Monte Crocetta plant amount to 33,423 tonnes in 2025.

Landfills

The Magis Group, through its subsidiaries, manages a landfill in operation located in the municipality of Grumolo delle Abbadesse (VI), two post-operation landfills in the municipalities of Lonigo (VI) and Sandrigo (VI) and a landfill leachate treatment plant.

The Grumolo delle Abbadesse landfill operates in the field of disposal of urban waste mainly deriving from the sorted waste collection system, and special non-hazardous waste from urban waste sorting and mechanical separation plants, located mainly in the territory of the Province of Vicenza, within an integrated management system for urban waste disposal, organised and planned at regional level. Before being stored in the tank, the waste is reduced into pressed cubes in order to occupy less space.

INTEGRATED ENVIRONMENTAL SERVICES

Regarding the marketing of integrated environmental services, Magis Ambiente handled **11,921 tonnes of waste** broken down into 11,361 tonnes of non-hazardous waste and 560 tonnes of hazardous waste.

With regard to the integrated environmental services provided by Magis Ambiente, these include but are not limited to:

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

During 2025, **37,2 tonnes of waste were deposited** in the active landfill of Grumolo delle Abbadesse, also taking into account the rate coming from special non-hazardous waste. During the 2023 financial year, the volumetric remodulation of the landfill was approved, which will bring new volumes available for the years to come, thanks to the reconfiguration of the banks and the subsequent filling of these volumes, for a total availability of 440,000 cubic metres.

The Fossalunga landfill in Lonigo (VI) is managed by the subsidiary SIT, through a contract for the management by CIAT (Consorzio per l’Igiene Ambientale e del Territorio) regarding all post-operation activities, as well as for the Masona landfill in Sandrigo (VI), where SIT, however, holds the authorisation for the management of the related activities.

Surveillance, environmental monitoring and maintenance activities are carried out at the landfills under post-closure management. A photovoltaic plant is active in the two Vicenza sites (in Lonigo), while the technical and administrative procedures for permanent safety of the site are currently under way at the Verona site.

City services

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

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

1.3. Our commitment to stakeholders

[ESRS_2, SBM-2, DP 45a]

Magis's attention to its stakeholders is based on the values set out in the Group's Code of Ethics, which defines the guidelines to be adopted in relations with each stakeholder, establishing principles and modes of conduct for each of them.

Building a relationship of mutual trust with the Group's stakeholders starts from considering their interests and their compatibility with those of the organisation.

For Magis, being a publicly controlled company is not just a formal matter. It means committing every day to bringing a positive impact to people's lives and to the territories in which it operates, combining the public interest with industrial efficiency.

A concrete responsibility based on listening and returning value, fostering strong relationships with communities, helping to understand change and building pathways for sustainable growth. For Magis, sustainability, even before being industrial, is a cultural value and includes education, active participation and a sense of belonging.

Stakeholder engagement is at the core of the Consolidated Sustainability Reporting.

Stakeholder engagement is ongoing and takes place both through established practices (customer satisfaction surveys, meetings with employees, etc.) and in connection with regulatory requirements (e.g., shareholders' meetings, consultations with trade unions, etc.).

The Group is committed to fostering a gradual, open, and transparent process of listening and dialogue, aligned with its strategic choices, to ensure positive and lasting relationships.

Based on the results of external and internal context analysis, it was possible to identify the categories of stakeholders most relevant to the Group. This process was carried out in consideration of the potential degree of influence, interest and impact that:

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

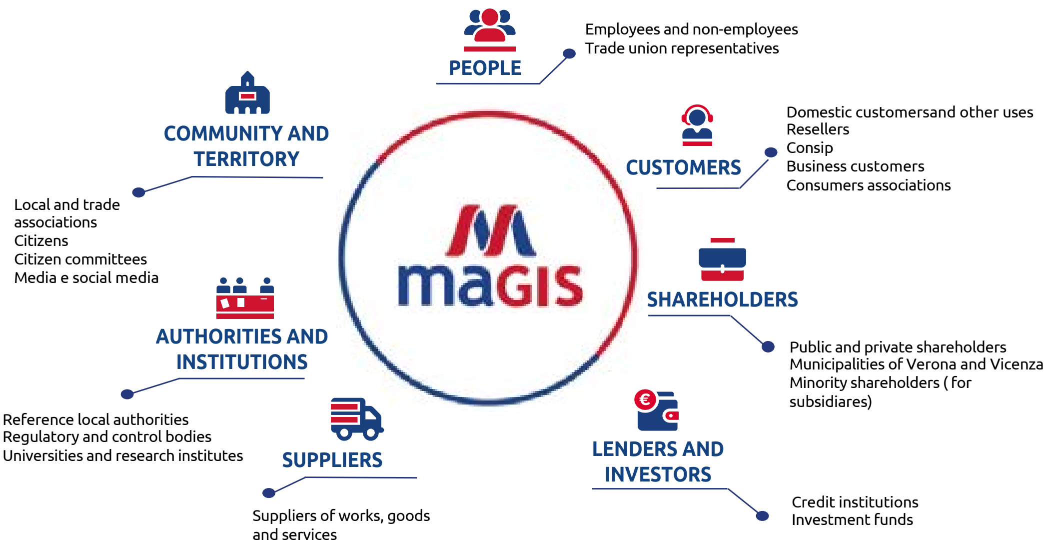


Figure 16 – Stakeholders of the Magis Group

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

Table 16 – Stakeholder Mapping

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

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

[ESRS_2, SBM-2, DP 45b]

The Magis Group also adopts proactive and multi-channel communication as a complementary tool for dialogue with its stakeholders. In this regard, the activity on the main social media channels[4] involves sharing content aimed at disseminating the activities and initiatives carried out by the Group and raising awareness among stakeholders on sustainability issues.

Starting from the 2024 financial year, Magis (then AGSM AIM) initiated a stakeholder engagement process preceding and supporting the development of the Double Materiality Analysis. This process involved different categories of stakeholders through surveys designed to gather their opinions on the importance of sustainability topics - environmental, social, and governance -considered relevant and potentially material for each stakeholder category. Thanks to specific free and optional fields provided for and included in the questionnaires, stakeholder engagement activities have also allowed the collection of opinions and suggestions expressed directly by the individual stakeholders on projects and sustainability objectives that the Group should set itself.

[ESRS_2, SBM-2, DP 45a-lett. v, 45b]

Stakeholder engagement activities continued during the 2025 financial year with the specific aim of considering stakeholders' opinions and expectations when defining the Group's strategy in relation to its business model. In particular, the participatory and qualitative listening journey launched by the Magis Group for the development of its 2025-2030 Business Plan involved the engagement of external and internal stakeholders:

- interviews with external stakeholders lasting over 30 hours
- workshops lasting over 15 hours
- no. 2 public events in Verona and Vicenza
- internal personnel involved through focus groups and dedicated workshops.

4 The social channels are in the name of and managed by the Magis Spa Parent Company and are: Facebook, Instagram, LinkedIn, X, YouTube. The company V-Reti has its own LinkedIn channel available.

CREATION OF SHARED VALUE

The Magis Group aims to foster the creation of shared value by focusing its attention on three material aspects: its sustainability ambition, the drive for growth and the management of market risks.

Sustainability ambition

- **Integrate business priorities with sustainability priorities by defining a set of concrete and measurable short- and medium-to-long-term objectives, with indicators, action lines, budgets and responsibilities.**

Driving growth

- **Accelerate the energy transition by consolidating our position in the renewable energy and energy efficiency sectors.**
- **A strong drive to invest in projects with a long-term perspective, with impacts extending beyond the five-year plan period.**

Risk management

- **Implement tools to mitigate the incremental risk arising from growth in market businesses.**
- **Identify business models with revenue stability (e.g. FER incentives, PPAs, project financing) that mitigate the effects of exposure to market dynamics.**

To ensure the widest possible participation, the Magis Group also organised and promoted two free public events in Verona and Vicenza to engage citizens, stakeholders, associations and local organisations in the final stage of the process that led to the definition of the new 2025–2030 Business Plan.

The aim of the meetings was to share with the community the content and visions that emerged over months of discussion, gather input and reflections on the key themes of the Plan – from the energy transition to innovation, from social impact to the role of utilities in the future of local areas – and involve people in the project that will guide the Magis Group in the coming years.
The Arena amphitheatre hosted the Verona event on Monday 9 June at 6 p.m., as evidence of the green energy partnership signed between the Veneto multi-utility and the Arena Opera Festival 2025. The choice of location also marks the completion of the works carried out by the Magis Group to strengthen the electrical infrastructure of the Arena, a strategic project connected to the ceremonies of the Milan-Cortina 2026 Olympic and Paralympic Games. In Vicenza, the event was held on Wednesday 12 June from 6 p.m. at Teatro Astra, in contrà Barche, 53.

In line with the institutional campaign "Another hundred years and counting", both evenings provided an opportunity to reflect on the major themes that inspired the new Business Plan: the energy transition, innovation, inclusion and the role of utilities in local areas.

The meetings were led by Mario Puliero, director of Telearena in Verona, and Luca Ancetti, co-deputy editor of the daily newspaper Il Giornale di Vicenza in Vicenza. The programme of meetings included interactive sessions with the public through live polls, interviews with the mayors of Verona, Damiano Tommasi, and of Vicenza, Giacomo Possamai, discussions with representatives from the economic, social, and academic sectors, and a closing session featuring distinguished guests: Giovanni Storti, actor, comedian, and passionate nature advocate, in Verona, and Luca Mercalli, climatologist, science communicator, and President of the Italian Meteorological Society, in Vicenza.

The heart of both events was an in-depth look at the guiding principles of the new Business Plan, presented by Magis's Chief Executive Officer, Alessandro Russo.

[ESRS_2, SBM-2, DP 45d]

The analysis of the results from the surveys submitted to stakeholders was approved by the Board of Directors on 7 April 2025.

Following the stakeholder engagement process briefly described above, the new 2025-2030 Business Plan integrated with sustainability topics was approved by the Board of Directors of Magis S.p.A. on 24 June 2025, including the information on the outcomes arising from the stakeholder engagement activities that helped define it.

1.4. Key sustainability issues

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

[ESRS_2, SBM-3, DP 48g]

Within its 2024 Consolidated Sustainability Report, Magis has developed a Double Materiality Analysis structured according to the requirements of the European Sustainability Reporting Standards (ESRS) established by the EFRAG (European Financial Reporting Advisory Group).

In 2025, the Group carried out an update of the analysis previously conducted. The activity confirmed the assessments carried out in 2024 and the material topics previously identified.

The Double Materiality Analysis combines two dimensions: impact materiality and financial materiality.

- Impact materiality refers to the actual or potential, positive or negative effects of the Company on people or the environment, linked to its own operations and to the upstream and downstream value chain, including through the distribution of products, the provision of services, and commercial relationships (inside-out perspective).
- Financial materiality concerns risks and opportunities that have, or can reasonably be expected to have, a significant impact on the Company's development, financial position, economic results, cash flows, access to financing, or cost of capital (outside-in perspective).

The analysis was organised according to the three main phases described below.

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

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

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

The mapping of Impacts, Risks and Opportunities (so-called IROs) was developed based on the 10 thematic ESRS standards found in Appendix A of ESRS 1, through a breakdown by the Group's three service lines, considering the differences between the various businesses operated. This differentiation led to the identification of a list of IROs at Group level, along with specific lists for each service line.

[ESRS_2, SBM-3, DP 48h]

The mapping process did not result in any entity-specific IROs being identified.

The identification of the aforementioned IROs was based on two primary sources of information.

1. Understanding the organisation's internal context included a review of the existing internal corporate regulations, as well as mapping and analysing the value chains of the Group's different service lines and the categories of stakeholders involved. Factors such as the types of business, the nature of activities, the geographical areas involved, and the Group's main dependencies on the supply of raw materials, goods, services, processing, processes, and target markets were also taken into account.
2. Understanding the organisation's external context, which included analysing industry reports, relevant standards and regulations, and conducting a comparative analysis of peer and competitor representative of the various business in which the Group operates.[5] The results emerging from stakeholder engagement activities carried out during the 2024 financial year through surveys submitted to various stakeholder categories were also considered.

2. Assessment of Impacts, Risks and Opportunities

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

5 The following references were used for the analysis of report, standard and sector regulations: ESRS (European Sustainability Reporting Standards), MSCI (Morgan Stanley Capital International), SASB (Sustainability Accounting Standards Board), ENCORE (Exploring Natural Capital Opportunity Risks and Exposure), UNEP (United Nations Environment Programme), Rete Natura 2000 and Aqueduct Water Risk Atlas.

Impact materiality

The assessment of impacts over the short, medium or long term (as defined by ESRS 1)[6] was carried out based on the likelihood of the impact occurring and its significance (for positive impacts) or severity (for negative impacts), using the following criteria:

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

Value scales ranging from 1 to 4 were used for all the criteria mentioned above.

In the event of potential negative impacts on human rights, the severity of the impact was prioritised over the likelihood of occurrence.

The assessment of impact materiality is calculated as the product of probability and significance, resulting in a single value that reflects the expected effect.

Financial materiality

The risks and opportunities identified during the mapping phase were assessed based on the magnitude of potential financial effects and the likelihood of occurrence.

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

[ESRS_2, SBM-3, DP 48 d, 48e]

The main currently observable financial impacts occur in the form of:

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

Any risks that may lead to significant current financial impacts are periodically identified and assessed to inform industrial and financial planning and, where appropriate and relevant, the necessary provisions are made.

To promptly detect any significant changes in the financial position, the Group maintains an active monitoring system designed to identify any changes that may impact the assets and liabilities reported in the consolidated financial statements.

6 Short term: the period adopted by the company as its financial reporting reference period (i.e. twelve months).
Medium term: up to 5 years from the end of the short-term reference period (i.e. from the thirteenth month to the end of the fifth year).
Long-term: over 5 years.

The impacts described above on EBITDA, Turnover, CapEx and OpEx have been assessed using a scale from 1 to 4, consistent with the metrics defined in the Enterprise Risk Management (ERM) model adopted at the Magis Group level.

The assessment of financial materiality was ultimately determined by calculating the product of probability and magnitude, thereby obtaining a consolidated value representative of the expected financial impact.

3. Definition of results

[ESRS_2, IRO-2, DP 59]

Following the evaluation of the IROs, a single cut-off threshold was set at the value of 8 (eight), and a consistency check was carried out between the impact materiality and financial materiality results. These were then coordinated and integrated within Magis's Enterprise Risk Management (ERM) model.

In line with regulatory requirements, the Magis Group has put in place a structured stakeholder engagement plan which, during the 2025 financial year, made it possible to plan and conduct specific meetings and workshop with key opinion leader and representatives of the Group's main stakeholders, both external and internal. Further activities will be defined and scheduled, from time to time, for future financial years. For further details, please refer to the section "1.3 Our commitment to stakeholders".

This Double Materiality Analysis was approved by the Board of Directors on 30 March 2026 and will be updated annually.

[ESRS_2, SBM-3, DP 48a, 48c]

In the individual chapters on sustainability issues considered material for the Magis Group, a full list of relevant impacts, risks, and opportunities is provided, covering both the Group's direct operations and the activities upstream and downstream along the value chain.

The following table provides a summary view of the results of the Double Materiality Analysis.

Key sustainability issues

Table 17 – Double Materiality Analysis (DMA) results

Rif. ESRS	Sub-theme / Sub-sub-theme	Impact materiality		Financial materiality	
		Stage of the value chain	Time Timeframe	Stage of the value chain	Time Timeframe
E1	Climate change mitigation	Upstream Own operations Downstream	Short Medium Long	Upstream Own operations Downstream	Short Medium Long
E1	Climate change adaptation	n.a.	n.a.	Own operations	Short Medium Long
E1	Energy	Upstream Own operations Downstream	Short Medium Long	Own operations Downstream	Short Medium Long
E2	Microplastics	Upstream Own operations Downstream	Short	Own operations	Short Medium Long
E2	Air pollution	Upstream Own operations	Medium Long	Own operations	Short Medium Long
E3	Water withdrawals	Upstream Own operations	Short Medium	Upstream Own operations	Short Medium Long
E3	Water consumption	n.a.	n.a.	Own operations	Short Medium Long
E3	Water discharges	n.a.	n.a.	Own operations	Short Medium Long
E4	Direct impact drivers on biodiversity loss – Direct exploitation	Upstream	Medium Long	Upstream	Short Medium Long
E4	Direct impact factors on biodiversity loss – Changes in land use, freshwater use, and marine use	Upstream Own operations	Medium Long	Upstream Own operations	Short Medium Long
E5	Resource inflows, including resource use	Upstream	Short	Upstream	Short Medium Long
E5	Resource outflows related to products and services	Downstream	Medium Long	n.a.	n.a.
E5	Waste	Upstream Own operations	Short Medium Long	Upstream Own operations	Medium Long
S1	Working Conditions - Secure employment	n.a.	n.a.	Own operations	Short Medium
S1	Working conditions - Adequate wages	Own operations	Medium Long	Own operations	Short Medium
S1	Working conditions – Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Own operations	Short	Own operations	Short Medium Long
S1	Working Conditions - Health and Safety	Own operations	Short Medium Long	Own operations	Short Medium Long
S1	Working conditions - Social dialogue	Own operations	Short Medium	Own operations	Medium
S1	Working conditions - Collective bargaining	Own operations	Short Medium	Own operations	Medium

Rif. ESRS	Sub-theme / Sub-sub-theme	Impact materiality		Financial materiality	
		Stage of the value chain	Time Timeframe	Stage of the value chain	Time Timeframe
S1	Equal treatment and opportunities for all - Gender equality and equal pay for work of equal value	n.a.	n.a.	Own operations	Medium Long
S1	Equal treatment and opportunities for all - Training and skills development	Own operations	Short Medium Long	Own operations	Short Medium
S1	Equal treatment and opportunities for all - Diversity	Own operations	Short Medium	n.a.	n.a.
S1	Other work-related rights - Confidentiality	Own operations	Short Medium	n.a.	n.a.
S1	Other work-related rights - Child labour	n.a.	n.a.	Own operations	Medium
S1	Other work-related rights - Forced labour	n.a.	n.a.	Own operations	Medium
S2	Working Conditions - Secure employment	Upstream Downstream	Short Medium Long	Upstream	Short Medium Long
S2	Working Conditions - Health and Safety	n.a.	n.a.	Upstream	Short Medium Long
S2	Other work-related rights - Child labour	Upstream	Short Medium	Upstream	Short Medium Long
S2	Other work-related rights - Forced labour	Upstream	Short Medium	Upstream	Short Medium Long
S2	Other work-related rights - Confidentiality	Upstream Downstream	Short Medium	Upstream	Short Medium
S3	Communities' economic, social and cultural rights - Water and sanitation services	Own operations	Short Medium	n.a.	n.a.
S3	Rights of Indigenous Peoples - Free, Prior and Informed Consent	Upstream Own operations	Medium Long	Own operations	Short Medium Long
S4	Information-related impacts for consumers and/or end-users - Confidentiality	Upstream Downstream	Short Medium	n.a.	n.a.
S4	Information-related impacts for consumers and/or end-users - Access to (quality) information	Own operations Downstream	Short Medium	Own operations	Short Medium Long
G1	Corporate culture	Upstream Own operations Downstream	Short Medium Long	Upstream Own operations Downstream	Short Medium Long
G1	Whistleblower Protection	n.a.	n.a.	Upstream Own operations Downstream	Short Medium Long
G1	Management of relationships with suppliers, including payment practices	Upstream Own operations	Short Medium	Upstream Own operations	Short Medium Long
G1	Active and passive corruption – Prevention and detection, including training	Upstream Own operations Downstream	Short Medium	Upstream Own operations	Short Medium Long
G1	Corruption and bribery – Events	Upstream Own operations Downstream	Short Medium Long	Upstream Own operations	Short Medium Long

1.4.1 Magis Group's commitments to sustainable growth

[ESRS_2, SBM-3, DP 48b]

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

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

[ESRS_2, GOV-2, DP 26b]

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

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

WE MAKE ALL TRANSITIONS SUSTAINABLE AND LIVEABLE

Magis has simplified the complexity of networks and cities. Now it aims to make all transitions sustainable and liveable.

It chooses renewable sources, thinks digitally, and champions a new culture of the energy transition.

Its role is to mitigate the negative effects of all transitions and to reduce the risks associated with climate change, a goal it intends to achieve by simplifying complexities and offering new opportunities and benefits for communities.

Crafting the future is already part of Magis' expertise.

The goals of the 2030 Agenda, divided into 169 targets to be achieved by 2030, represent the blueprint on which to build a path to sustainable development through an integrated approach and tangible measures to address a major socio-economic paradigm shift, the many complex environmental and institutional challenges.

The Magis Group has decided to make its own contribution to achieving these goals: in declaring its charter of commitments for the coming years, Magis has chosen to link its actions with the SDGs most akin to its core business and strategic lines of action. The strategies and actions envisaged in the Magis Group's Business Plan are aimed at sustainability and traced back to 10 of the 17 SDGs.

Figure 17 – Magis' commitment to the Sustainable Development Goals

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

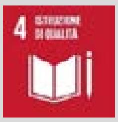
From a social perspective, the protection and promotion of its own workforce are fundamental elements of Magis' strategy, which places particular emphasis on healthy working environments and the promotion of employee training. The Group also carries out its activities with a constant commitment to establishing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

Finally, with regard to governance aspects, the Group is committed to pursuing and promoting high standards of fairness, loyalty, integrity and transparency.

Further details are provided below on the commitments pursued by the Group for each SDG considered relevant for Magis.

NO POVERTY

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



QUALITY EDUCATION

The Magis Group considers continuing education and training an essential tool for social and economic development and, therefore, provides its employees with ongoing training courses for professional and personal growth.

During 2025, the Group provided specific training courses to develop individual skills and for technical and regulatory updating in the field of personal data protection, cyber security, occupational health and safety and preventing corruption. **There were 17.64 hours of training per capita**, provided both in-house and at specialised external centres.

Magis also cooperates with several universities, giving students the opportunity to carry out curricular training projects lasting about three months.

GENDER EQUALITY

Magis supports the potential of women working within the Group by promoting full and effective participation and equal opportunities for leadership at all levels of decision-making in corporate life, preventing favouritism and gender discrimination. During the 2025 financial year, the Group continued its commitment to implementing projects aimed at raising awareness among its workforce on DE&I matters and promoting an inclusion-oriented culture. These initiatives led to **the achievement of gender equality certification in accordance with UNI/PdR 125:2022** for the Parent Company and two additional subsidiaries, Magis Energia and Magis Smart Solutions**.**

AFFORDABLE AND CLEAN ENERGY

The goal of the energy transition is an integral part of Magis' Business Plan, increasing, year after year, the share of energy generated from renewable sources and allocating 100% of investments in energy production to plants from green sources, in particular wind and photovoltaic. In 2025, **the electricity produced from renewable sources accounted for 81.8%** of the total energy produced by the Group.

DECENT WORK AND ECONOMIC GROWTH

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

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Magis promotes **scientific and technological development aimed at environmental protection and safeguarding resources** by adopting criteria for safeguarding and energy efficiency. Specifically, the Group is engaged in infrastructure improvement projects relating to networks, smart services, environmental hygiene, energy generation, and district heating.

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

RESPONSIBLE CONSUMPTION AND PRODUCTION

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

CLIMATE ACTION

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

PEACE, JUSTICE AND STRONG INSTITUTIONS

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

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

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

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

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

WE SUPPORT UN GLOBAL COMPACT

Magis has sustainability issues at its core and strongly believes in integrating Environmental, Social and Governance (ESG) criteria.

As a responsible operator, Magis believes that sustainable development and more generally sustainability, broken down into the three dimensions included under the acronym ESG, play a fundamental role in today's economic landscape. Sustainability represents the guiding principle for the future development of Gruppo Magis which, in its 2025–2030 Business Plan, envisages investments aimed at supporting the energy transition and decarbonisation, the circular economy and the digitalisation of the sector, including investments of more than Euro 500 million in projects for the development of renewable energy generation plants (e.g. wind and photovoltaic) and green hydrogen, together with almost Euro 400 million for the modernisation and expansion of resilient and reliable distribution networks (electricity, district heating and gas).

WELCOME TRANSITION

The Group is fully aware that sustainability is a journey made up of ambition and action that it has decided to call "The Path to sustainability".

The 2025-2030 Business Plan gives substance to our projects.

We want to accelerate the country's energy transition with determined growth, but linked to respect and attention for people, with a "kind" and "sensitive" approach that helps them navigate complexity and that transforms the company's growth into a driver of social as well as economic growth.

The Group bases its activities on the ten principles of the United Nations Global Compact (UNGC) on human rights, labour, environment and anti-corruption. In 2025, it renewed its membership in the United Nations initiative by committing to respect and integrate the ten principles on human rights, labour, the environment and the fight against corruption into its activities (www.globalcompactnetwork.org). Therefore, the Magis Group submits the COP (Communication on Progress) on an annual basis, whereby it maintains a transparency relationship with the Global Compact and its stakeholders, reporting its contribution to the dissemination and observance of the ten fundamental principles.

Magis intends to continuously adopt the 10 Universal Principles in its business strategy, but even more so in the culture of its organisation.

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

1.5. Sustainability governance

[ESRS_ 2, GOV-1, DP 21b]

The organisational model of the Magis Group consists of a comprehensive system of delegated powers and powers of attorney in relation to the acts and transactions concerning the individual corporate Departments.

The Group's corporate governance system is designed to ensure sustainable success and the creation of economic, social and environmental value for shareholders and for the local community over the medium/long term, being aware of the ESG impacts of the business activities in which it is engaged and while respecting the interests of all stakeholders involved in its operations.

The Corporate Governance structure is represented by the rules and forms of behaviour adopted by Magis in order to guarantee the fair, effective and transparent working of the governance bodies and control systems of the Parent Company and the companies directly controlled by it, in compliance with the "Management and Coordination Guidelines" adopted at Group level in May 2022 and periodically updated by the Legal Department.

The Group's operating companies, in concert with the Parent Company, manage the "technical-specialist" aspects of the services carried out - marketing and distribution of gas, electricity and district heating and environmental health, parking, public lighting and telecommunications services - including through consultation with the various administrative, regulatory and control bodies.

As the Parent Company, Magis S.p.A. centralises its typical structure activities on its own by providing services to most of the companies belonging to the Group. In particular, in addition to activities directly connected with the design and development of projects for the construction of renewable energy power generation plants, the Company is responsible for administrative and financial activities, human resources management, legal and corporate affairs, compliance and quality management, occupational health and safety management, environmental protection, management of owned assets, as well as risk management, communication, and marketing activities.

The companies belonging to the Magis Group have adopted a traditional administration and control system that consists of the typical administration, management and control bodies provided for by current legislation, supplemented by the provisions of their respective articles of association.

On the other hand, the subsidiary Eco Tirana Sh.A. has adopted a two-tier system in which administration and control are exercised by a Management Board and a Supervisory Board..

Shareholders' Meeting

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

Board of Statutory Auditors

The Board of Statutory Auditors is a control body that oversees that the law and the Articles of Association are complied with, that the principles of correct management are observed and that the organisational, administrative and accounting system adopted by the Group Companies is adequate and works properly.

[ESRS_S1, DR S1-9, DP 66a]

[ESRS_ 2, GOV-1, DP 21d]

Demonstrating Magis's high commitment to diversity, the members of the Control Bodies appointed in the Group companies comprise 11 women (37.9%) and 18 men (62.1%).

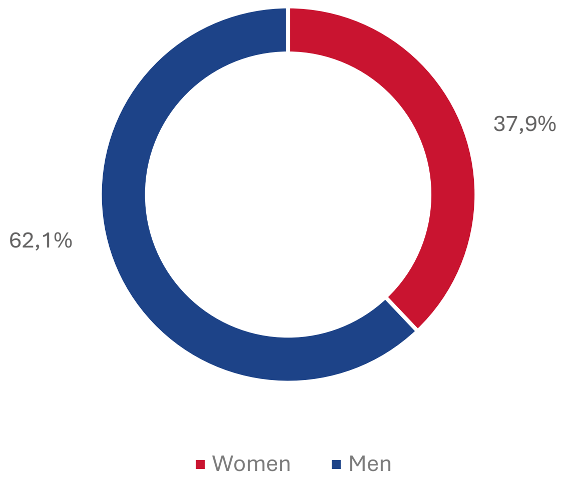


Figure 18 – Composition of the control bodies of the Group companies by gender

Governing bodies

The Management Bodies (Board of Directors or Sole Director) of the Group companies play a central role, since they are responsible for all the strategic and organisational choices that are necessary to achieve the corporate purpose.

Pursuant to the articles of association adopted individually by the subsidiaries, the Management Body is vested with all broadest powers for the ordinary and extraordinary management of the company. It is entrusted with all the necessary and appropriate acts to implement the corporate purpose, excluding only those reserved by law or the Articles of Association to the shareholders' meeting.

[ESRS_ 2, GOV-1, DP 21a, 21c, 21e]

[ESRS_S1, DR S1-9, DP 66a]

Specifically, the Parent Company is governed by a Board of Directors consisting of six members, including two women, which comprises the Chairperson, the Vice Chairperson, and the Chief Executive Officer, all vested with specifically delegated executive powers; the remaining three members of the board are non-executive and independent. The description of the process of appointment and selection of the Board of Directors is set out in the Articles of Association, which can be consulted on the Company's website in the section dedicated to corporate governance (https://www.gruppomagis.it/corporate-governance).

The Board of Directors of Magis S.p.A. approves the consolidated Sustainability Report, ensuring it is prepared and published in accordance with the provisions of Italian Legislative Decree 125/2024, Group policies, including the Sustainability Management Policy and the "Operating Procedure for the Preparation of the Consolidated Sustainability Report".

Supporting the Board of Directors, the Management Risk Committee supervises internal control and risk management matters, including those related to ESG aspects connected to the company's operations, while simultaneously monitoring the adequacy and effectiveness of the internal control system.

The Board of Directors and the Management Risk Committee (with the participation of the Parent Company CEO) play a key role in sustainability management.

All Directors meet the requirements set out in Article 2382 of the Italian Civil Code, and all directors appointed by the Shareholders' Meeting possess the skills and expertise necessary and consistent with the characteristics of Magis' business activities.

No employees or other workers are represented within the governing, executive, or supervisory bodies.

At Group level, the members of the Administrative Bodies comprise 14 women (29.2%) and 34 men (70.8%).

[ESRS_ 2, GOV-1, DP 22a, 22b, 22c, 22d]

Oversight of sustainability matters and, more generally, of relevant impacts, risks and opportunities is assigned to the administration, management and control bodies of the Magis Group. As of the reporting date, the related responsibilities are not formally and explicitly set out within the delegated powers assigned to the members of these bodies. However, the scope of competence and the arrangements for exercising oversight are defined in the organisational practice adopted by the Group.

Directors and company management ensure the monitoring and management of relevant matters through the various Operational Groups for the management of Key Risks, the Management Risk Committee (responsible for overseeing the activities to update the Double Materiality Assessment), the Green Financing Committee and the various Management Committees, which operate in an advisory and propositional capacity in order to carry out a preliminary and shared assessment of the matters to be brought to the attention of senior management and to the appropriate assessment by the relevant boards of directors.

[ESRS_2, GOV-2, DP 26a, 26b, 26c]

In this context, the Board of Directors oversees the definition of objectives relating to material topics and monitors progress on the basis of reporting prepared at Group level. Starting from FY 2026, the Group has also launched a process to strengthen the periodic reporting system, aimed at monitoring progress status and the Group's performance level on both an annual and an interim basis. This system is also aimed at assessing progress towards the objectives set out in the 2025-2030 Business Plan and the ESG Plan, as well as supporting the preparation of the Consolidated Sustainability Report.

During the reporting period, the competent bodies reviewed, among other things, the main material topics reflected in the Group's Business Plan and ESG Plan. For the related commitments and areas of action, please refer to section "1.4.1 Magis Group's commitments to sustainable growth".

[ESRS_ 2, GOV-1, DP 21c, 23a, 23b]

The adequacy of the Board of Directors' sustainability expertise is based on the experience gained by its members in corporate governance, strategic planning and oversight of matters related to energy, energy efficiency, sustainable transition and the circular economy.

Oversight of these skills may be further supported, where deemed necessary, through refresher and training initiatives.

[ESRS_ 2, GOV-1, DP 21d]

Magis ensures, in the composition of the corporate bodies, the balanced representation of gender and guarantees the presence of independent Directors in accordance with current legislation.

The members of the Management Body, appointed by the respective shareholders' meetings on the basis of lists submitted by the shareholders, hold office for three financial years and may be re-elected. Each chairperson has the powers and duties set out in Article 2381 of the Civil Code.

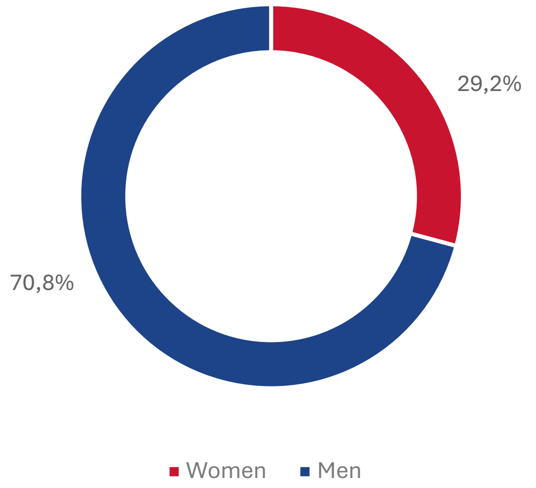


Figure 19 – Gender breakdown of the administrative bodies of Group companies

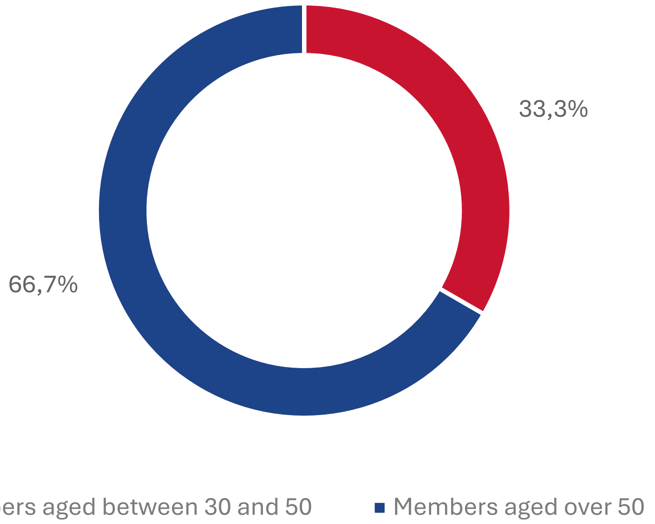


Figure 20 – Age breakdown of the administrative bodies of Group companies

1.5.1 Sustainability performance linked to incentive schemes

[ESRS_2, GOV-3, DP 13, 29a]

Within the remuneration framework for the members of the Board of Directors and the Board of Statutory Auditors, the only individuals eligible for incentive schemes are the executive directors of the Group companies. In fact, in addition to a fixed annual salary, they are also awarded an annual variable component (MBO). In the compensation package for managers and middle managers of the Magis Group, in addition to fixed remuneration, variable remuneration is also provided (so-called Management by Objectives – MBO) which, for employees with middle manager status, also includes the portion of the Performance Bonus due pursuant to the relevant CCNL.

[ESRS_2, GOV-3, DP 29e]

The management of objectives for company management (MBO) is handled by the HR Function, which defines the criteria and oversees its application. As regards managing directors, however, the review and approval of the MBOs fall within the remit of the respective Boards of Directors, in line with the prerogatives of the competent corporate bodies.

[ESRS_2, GOV-3, DP 29b, 29d]

In the 2025 financial year, ESG targets were identified within the individual incentive schemes for the delegated directors, executives, and managers. Specifically, the MBO records of the delegated directors, executives, and managers were analysed to categorise the objectives into the following four main categories:

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

Each person participating in the MBO incentive scheme is assigned at least one ESG objective. The share of variable remuneration that depends on sustainability-related objectives and/or impacts therefore varies from person to person depending on the number of ESG objectives assigned and their weighting over the total (e.g. from 30% up to 100%).

[ESRS_2, GOV-3, DP 13, 29a, 29c, 29d]

In particular, for the year 2025, about 85% of the objectives identified and assigned overall were categorised strictly as ESG objectives. These objectives relate, for example, to obtaining gender equality certification and maintaining or renewing existing QSA certifications, as well as projects concerning customer satisfaction and customer care, sustainable supply chains, technological innovation, and digital transformation.

Additional ESG objectives of an operational and/or managerial nature relate to climate change mitigation and adaptation (such as increasing installed capacity and the share of electricity generated from renewable sources, energy efficiency projects for the Group's plants, and the development of infrastructure for electric vehicle charging, etc.).

From the 2025 financial year onwards, a mechanism for categorising each assigned ESG objective has been implemented in ORACLE HCM. Specifically, the system requires that, when entering each objective, a dropdown menu is used to define the categorisation of all ESG-related objectives (F: Financial; E: Environmental; S: Social; G: Governance).

1.5.2 Declaration of Due Diligence

[ESRS_2, GOV-4, DP 30, 32]

In the context of preparing the Consolidated Sustainability Report, the Magis Group has initiated a process of gathering and analysing information regarding its practices on the duty of diligence (hereinafter also referred to as "due diligence"), while acknowledging that these are established operational practices not yet formalised into a specific process.

In accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, which inform certain policies of the Magis Group, the Group's duty of diligence on sustainability issues is summarised in the following mapping of disclosures.

Table 18 – Core elements of due diligence

Core elements of due diligence	Corporate practices	Ref. to the sections of the Report
Embed due diligence within governance, strategy, and the business model.	As a foundation for integrating responsibility in respect of social and environmental aspects, the Group adopts various policies. Specifically, the commitment is reflected within the following policies: • Code of Ethics • Suppliers' Code of Conduct • Internal Dealing Code • Management and Coordination Guidelines • Group guidelines for managing extraordinary Merger & Acquisition (M&A) transactions • Group guidelines for the planning and management of Investment initiatives • Guidelines for the Internal Control and Risk Management System • Anti-Corruption Policy • Policy for managing data retention and data breaches • Policy for the management of Inside Information • Quality, health and safety, environment and energy policy • Reporting Policy • Sustainability Management Policy • Policy for the prevention of corruption (ISO 3700) • Policy for the protection of human rights • Environmental protection Policy • Policy for the Protection of Diversity, Equity, Inclusion, and Gender Equality	• ESRS 2 GOV-2 • ESRS 2 GOV-3 • Sections covering governance, strategy, and policies.
Engage stakeholders in all key stages of the due diligence process.	Stakeholder engagement represents an opportunity for dialogue and collaboration for the Group. In particular, to identify and manage relevant aspects for the Group, Magis employs various methods aimed at maintaining continuous communication with its different stakeholders; including, but not limited to: • the Stakeholder Engagement process; • the whistleblowing reporting channel is available to all stakeholders, providing an important means to submit different types of reports.	• Paragraph 1.3 "Our engagement with stakeholders". • SMB-2 • S1-2 • S2-2 • S3-2 • S4-2

Core elements of due diligence	Corporate practices	Ref. to the sections of the Report
Identify and assess negative impacts.	• The Group's Double Materiality Assessment process placed particular emphasis on the assessment and prioritisation of impacts, aiming to identify those most relevant to the organisation and its stakeholders. • Verification of compliance with the minimum safeguard guarantees pursuant to EU Regulation 2020/852 (EU Taxonomy.	• Paragraph 1.4 "Relevant sustainability issues".
Take action to address negative impacts.	• The Group undertakes specific actions aimed at mitigating negative impacts and enhancing positive ones, as detailed in the respective sections of this document. • The Group Reporting Policy includes conducting investigations that may ultimately result in specific corrective or disciplinary actions.	• Paragraph 1.4 "Relevant sustainability issues".
Monitor the effectiveness of actions and communicate.	• The Magis Group defines metrics, detailed in the relevant sections of this Consolidated Sustainability Report, to ensure that the actions taken are measurable and effective. • The operational procedure "Information Flows to the Supervisory Body" governs the methods and timing for communicating information flows related to the activities considered most significant for the Magis Group to the Supervisory Body.	• • Paragraphs on objectives and channels • Paragraph 4.1.2 "Impacts, risks and opportunities management" relating to business conduct (ESRS G1)

1.5.3 Internal Control and Risk Management System

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

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

[ESRS_2, GOV-2, DP 26b]

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

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

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

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

Within the scope of the responsibilities described above, the Risk Management Function coordinates and supports management when identifying and assessing risks, opportunities and impacts, supervising the methods defined and adopted to control and monitor enterprise risks, as well as consolidating the results of the risk assessment at Group and individual Business Unit level.

To ensure constant operational supervision over the management of enterprise risks since 2021, the year the new Group was set up, the Risk Management and ESG Function was established at the Parent Company and, subsequently, in 2022, the Management Risk Committee (hereinafter the "Management RC") was established, composed of the Chief Executive Officer and a selection of key Heads of the Parent Company's main Departments, and which also sees the participation of the Head of the Internal Audit Function as observer, in addition to the Head of the Risk Management Function in the role of secretary of the Management RC. Due to the topics dealt with, other first level managers, heads of BUs, and any other person inside and/or outside the organisation deemed necessary to further the issues addressed by the RC may also be invited to take part in the work of the Management RC.

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

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

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

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

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

- draft the Audit Plan proposal according to a risk-based approach to be submitted to the Parent Company's Board of Directors for appropriate evaluation and approval;
- schedule and perform audits in accordance with the approved audit plan, agree improvement measures with the Departments under review, and periodically report to the Board of Directors on audit outcomes, the progress of the audit plan, and the implementation status of the identified corrective actions;
- review business processes, both administrative and operational, to evaluate their effectiveness in achieving process objectives and their efficiency and economic sustainability, ensuring that objectives are met through the rational use of resources and appropriate cost management (Operational Audit);
- design and carry out, also with the support of external third parties, any specific audit activities such as fraud audits, IT audits, etc.
- support the Supervisory Body of the Group companies in overseeing the implementation of compliance programmes (Code of Ethics, Organisation, Management and Control Model according to Italian Legislative Decree 231) and coordinate audit activities in the event of alleged violations of these documents

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

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

The main business risks

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

The Group's ERM model adopted at Group level was developed under the guidance of the Group Risk Management and ESG Function, which is in charge of overseeing and coordinating the process of identifying, assessing and managing corporate risks.

The model has been implemented across the Group and enables risk profiling both at consolidated level and at the level of individual Business Units or relevant Group companies, while respecting the organisational independence of each subsidiary.

The corporate risk identification, assessment, and management process (enterprise risk assessment) is inspired by ISO 31000:2018 – Risk Management Guidelines and includes periodic updates based on the nature of the risks identified. The process is supported by benchmarking activities and by meetings and workshops involving risk owners, who are responsible individuals with the organisational authority required to oversee processes and operational activities linked, directly or indirectly, to risk events.

In line with the guidance set out in the COSO ERM – Integrated Framework, once risk events and their related causes have been identified and appropriately described, corporate risks are assessed according to the two main dimensions of likelihood of occurrence (or expected frequency) and expected potential impact, both in financial and non-financial terms (e.g. environmental, occupational health and safety, compliance, etc.). The level of inherent risk thus estimated is weighted according to the various methods of control and mitigation (i.e. preventive or subsequent controls, manual or automated, etc.) generating the so-called residual risk.

The update and periodic review activities of the risk assessment carried out during the year made it possible to identify the corporate risk portfolio of the Magis Group, divided into five homogeneous categories:

- Strategic
- Financial
- Governance
- Operational
- External events

At the end of 2025, a total of 127 risks were mapped, surveyed and assessed in the Magis Group's corporate risk catalogue (so-called Risk Register), classified according to the five categories indicated above and, in turn, divided into 27 macro-risk areas.

Certain corporate risks are identified as "key risks" and undergo both a qualitative and quantitative assessment under the ERM framework (Probability × Impact), as well as an evaluation using probabilistic methodologies that, where applicable, enable the calculation of Value at Risk (VaR) and Profit at Risk (PaR). Specifically, the key risks for which VaR is periodically calculated include customer and third-party credit exposure, commodity price risk—supported by a dedicated ETRM (Energy Trading Risk Management) application—churn-out rate, and the expected profitability of investments within the capex plan.

Further mathematical-statistical models are employed to oversee liquidity risk and support the management of investments impacting the economic and financial performance objectives set out in the Business Plan for future years. For further details regarding economic and financial risks, please refer to the other sections of the Report on Operations included in this Annual Financial Report of the Magis Group for the 2025 financial year.

Climate change-related risks are classified in the categories of strategic and/or external risks and are specifically analysed and monitored by the cross-functional working group set up at Group level and coordinated by the Risk Management and ESG Function.

Organisational Management System

To continuously improve the quality of its services and reduce its social and environmental impacts, the Magis Group has implemented the principal ISO-based standards. Moreover, in consideration of the activities carried out, the Magis Group is subject to regular checks by the Regional Environmental Protection Agencies of the regions in which the Group operates.

Table 19 – – ISO Management Systems adopted by the Magis Group

COMPANY	ISO 9001:2015 Quality Management System	ISO 14001:2015 Environmental Management System	ISO 45001:2018 Occupational Health and Safety Management System
Magis S.p.A.	√	√	√
Magis Energia	√	-	-
Magis Smart Solutions	√	√	√
Magis Calore	√	√	√
Magis Power	√	√	√
Magis Ambiente	√	√	-
Eco Tirana	√	√	√
SERIT	√	√	√
SIA	√	√	√
Valore Ambiente	√	√	-
V-Reti	√	√	√

In FY 2025, Magis Power and Magis Calore established and adopted Energy Management Systems (EnMS) certified under ISO 50001:2018, particularly in relation to the following processes:

- generation of electricity from hydropower;
- generation of electricity from cogeneration;
- generation and distribution of heat for district heating.

Also during the 2025 financial year, the Parent Company Magis S.p.A. implemented an Anti-Bribery Management System (ABMS) in accordance with ISO 37001:2016, obtaining the relevant certificate. For further information, please refer to the following paragraph 4.1.2 (Impacts, risks and opportunities management) in section "4.1 Business conduct – ESRS G1".

It should be noted that the subsidiary Eco Tirana obtained SA 8000:2014 certification (expiring on 29 January 2026), aimed at certifying the Company's management system in relation to corporate social responsibility.

Magis Calore obtained F-GAS certification (expiring on 31 January 2027) on the management of fluorinated greenhouse gases, which certifies the ability to manage the installation, repair, maintenance or support, and decommissioning of fixed cooling and air-conditioning equipment and fixed heat pumps with a maximum load size with no limits in kilograms.

In October 2025, Magis Smart obtained UNI CEI 11352:2014 certification relating to the provision of energy services (so-called energy service companies – ESCo), confirming Smart's strong vocation to support its customers in the design and implementation of measures aimed at improving energy efficiency.

Finally, the two subsidiaries of the Group, Magis Smart and SIT, obtained SOA certification, which is mandatory in order to submit bids for public works contracts. This certification proves the company's capacity to carry out, either directly or through subcontractors, public works subject to a starting price, for the submission of bids, of more than Euro 150,000, and it guarantees that the company meets all of the requirements established by current legislation governing public works contracts.

Table 20 – SOA certificates obtained by the Magis Group

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

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

[ESRS_2, GOV-5 DP 36a]

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

[ESRS_2, GOV-5 DP 36b]

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

The data and information included in the Consolidated Sustainability Report are gathered using office automation tools and dedicated IT systems, and are subject to internal controls designed to ensure the accuracy, reliability, completeness, and timeliness of the non-financial disclosures provided to stakeholders.

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

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

The audit firm has been appointed to carry out a limited review of the consolidated Sustainability Reporting in accordance with Articles 3, 4 and 8 of Legislative Decree 125/2024, for the purpose of issuing its assurance report on the compliance of the sustainability disclosures pursuant to Article 14-bis of Legislative Decree 39/2010 implementing Directive 2006/43/EC on statutory audits of annual and consolidated financial statements. In particular, Article 14-bis of Legislative Decree No. 39/2010 requires that such report include the auditor's conclusions regarding: (i) the compliance of the sustainability reporting with the provisions of the legislative decree adopted pursuant to Article 13 of Law No. 15 of 21 February 2024 (Delegation to the Government for the transposition of European directives and the implementation of other acts of the European Union – European Delegation Law 2022–2023), governing the preparation criteria thereof; and (ii) compliance with the disclosure obligations set out in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 concerning the reporting of information relating to the so-called European Taxonomy of environmentally sustainable activities.

In the central Departments, the Business Unit and organisational units, particular figures called "Focal Point" have been appointed to fulfil the role of data owner for the information and data covered by the Consolidated Sustainability Reporting. The Focal Points are responsible for overseeing the collection, preliminary processing, and provision of non-financial data and information to the ESG Team, taking accountability for the quality and reliability of the data. They also plan appropriate control and verification activities on the data itself and on the related collection and preliminary processing procedures. The ESG Team is therefore responsible for assessing the adequacy and consistency of the data and information received, including any deviations from the planned objectives and/or performance in previous periods, highlighting the need to explain such deviations and, more generally, to comment on the Group's non-financial performance. For a subset of data and information deemed relevant, the data collection and monitoring activities are also coordinated by the ESG Team during the year, in conjunction with the quarterly closings.

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

[ESRS_2, GOV-5 DP 36c]

Among the main identified risks relating to the process for preparing the Consolidated Sustainability Reporting, the following should be noted:

I. the collection of incorrect and/or incomplete data and/or information, or data not correctly aggregated and consolidated;
II. the incorrect, late, or incomplete definition of the reporting and consolidation perimeter;
III. any delays in identifying the Focal Point / data owner to be involved in the collection activities for the data point / ESG KPI;
IV. failure to comply with the timelines set out in the company financial calendar and/or delays in making the data and information available by the Focal Point / data owner;
V. shortcomings in the filing of documentary evidence capable of ensuring the traceability of the data and information to be reported;
VI. inconsistency between the levels of analysis and the scope of stakeholder potentially to be considered in the Double Materiality Analysis along the entire value chain, compared to the third parties that actually come into contact with our Group and over whom it is possible to exert a direct influence;
VII. failure to update, and/or late updating of, procedures, company operating instructions, etc.

[ESRS_2, GOV-5 DP 36d, 36e]

Within the framework of the ongoing enhancement of its Internal Control and Risk Management System, including risks associated with sustainability reporting, the Company has scheduled a number of initiatives specifically designed to improve the overall quality of sustainability disclosures, strengthen the reliability and accuracy of reported data and information, and increase the efficiency and digitalisation of the Consolidated Sustainability Reporting preparation process, including:

- periodic updating of company operational procedures related to the Consolidated Sustainability Reporting preparation process, as well as the integration, within the same documents, of the latest best practices adopted and/or referenced in the market regarding sustainability reporting;
- review and update of the mapping of database and applications used for managing relevant data and information by the central Directorates, Business Units, and organisational units involved in various capacities through their respective Focal point / data owner;
- evolution of the current application system for the digital management of the process for preparing the Consolidated Sustainability Report in order to enable the automated collection and processing of the most relevant data, promoting the reduction of repetitive manual operations that may have an impact on People and reducing the risk of material errors in the phase of inputting data into the system;
- periodic review of the sustainability reporting methodology in line with recognised best practices;
- periodic updating of the Double Materiality Analysis;
- development of a progressively wider and more effective stakeholder engagement approach.

2. Environmental information

2.1. Climate change – ESRS E1

[ESRS_2, DR SBM-3, DP 48a]

[ESRS_2, IRO-1, DP 20a, 20b, 20c, 21]

Within the Double Materiality Analysis (DMA), updated in 2025, the Group conducted a thorough mapping of business operations and activities along the upstream and downstream value chain, with the aim of identifying impacts, risks, and opportunities related to climate change. This process enabled the identification of the most significant areas in terms of total greenhouse gas emissions generated and those potentially exposed to climate-related events. The analysis conducted by the Group did not consider climate scenarios but serves as a structured foundation for more detailed assessments in the future.

The following table lists the impacts, risks, and opportunities related to climate change that the Gruppo Magis has identified and assessed as material, as described in paragraph 1.4 Relevant sustainability topics.

[ESRS_2, DR SBM-3, DP 48c]

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe (S=Short M=Medium L=Long term)	Stage of the value chain		
					Upstream	Operations owned	Downstream
E1	Climate change mitigation	The business activities carried out by the Group generate Scope 1 GHG emissions that have a direct impact on climate change (for example, electricity production at gas-fired thermal power plants, cogeneration of energy and heat for district heating networks).	Current negative impact	S-M-L	☒	✓	☒
E1	Climate change mitigation	The business activities carried out by the Group produce Scope 2 GHG emissions that have a direct impact on climate change (for example, purchasing electricity from the market to supply its plants and operational sites).	Current negative impact	S-M-L	☒	✓	☒
E1	Climate change mitigation	Scope 3 indirect greenhouse gas emissions arising from extraction, production, and transportation activities within the Group's supply chain, resulting in an impact on overall atmospheric greenhouse gas concentrations and global warming.	Current negative impact	S-M-L	✓	☒	☒
E1	Climate change mitigation	Scope 3 indirect greenhouse gas emissions resulting from the use of goods and services offered by the Group, impacting the overall concentration of greenhouse gases in the atmosphere and contributing to global warming.	Current negative impact	S-M-L	☒	☒	✓
E1	Climate change mitigation	Gas leaks in the distribution network (so-called fugitive methane emissions) further exacerbate global temperature increases and the resulting impacts of climate change.	Current negative impact	S-M-L	✓	✓	☒
E1	Energy	Energy production operations and maintenance of energy infrastructure, including generation and distribution plants, require the use of fossil fuel energy, resulting in a negative environmental impact.	Current negative impact	S-M-L	✓	✓	☒
E1	Energy	Environmental management activities, such as waste treatment, require significant energy use. This energy, obtained mainly from fossil sources, negatively impacts the climate and the environment.	Current negative impact	S-M-L	☒	✓	☒

ESRS	Sustainability topic	Description	IRO	Time Timeframe (S=Short M=Medium L=Long term)	Stage of the value chain		
					Upstream	Operations owned	Downstream
E1	Energy	Energy-intensive activities upstream in the value chain that involve the use of fossil fuel energy generate a negative environmental impact (e.g. the production of metallic materials for plant construction and the extraction of fossil resources).	Current negative impact	M-L	✓	☒	☒
E1	Energy	The use of energy downstream by end users generates a negative environmental impact (ref. national energy mix).	Current negative impact	S-M-L	☒	☒	✓

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe (S=Short M=Medium L=Long term)	Stage of the value chain		
					Upstream	Operations owned	Downstream
E1	Climate change mitigation	Failure to achieve the decarbonisation targets due to factors both internal to the organisation and external (such as changes in the social, political, and economic context).	Risk	M-L	☒	✓	☒
E1	Climate change adaptation	Rising temperatures may pose a significant risk to workers' health and safety, increasing the likelihood of heatstroke and other temperature-related illnesses. This can lead to reduced productivity and increased healthcare costs.	Risk	S-M-L	☒	✓	☒
E1	Climate change adaptation	The rise in temperatures can cause the overheating of substations, compromising their efficiency and reliability. Similarly, servers may overheat due to increased temperatures, resulting in breakdowns and disruptions to service. Ultimately, rising temperatures result in increased costs for cooling distribution systems and servers.	Risk	S-M-L	☒	✓	☒
E1	Climate change adaptation	The progressive rise in average temperatures (e.g. milder winters) may lead to a reduced demand for district heating services (e.g. lower consumption resulting in a higher incidence of fixed/variable costs, reduced use/effectiveness of cogeneration plants, a shortening of the winter heating season, and consequent delayed start-up / early shutdown of plants, etc.).	Risk	S-M-L	☒	✓	☒
E1	Climate change mitigation	Failure or inadequate identification and management of risks and opportunities related to climate change and the associated transition process by the Group and its Business Units, as well as throughout the entire value chain.	Risk	M-L	✓	✓	✓
E1	Climate change mitigation	Government measures introduced to support the transition towards a low-carbon economy may slow down the execution of the Group's projects, potentially reducing revenues and increasing costs, including those associated with plant upgrades and decommissioning.	Risk	M-L	☒	✓	☒
E1	Climate change mitigation	The European Emissions Trading System (ETS) may impose additional costs on companies that exceed their emission limits, thereby increasing operational expenses.	Risk	S-M	☒	✓	☒

ESRS	Sustainability topic	Description	IRO	Time Timeframe (S=Short M=Medium L=Long term)	Stage of the value chain		
					Upstream	Operations owned	Downstream
E1	Energy	The trend towards electrification of consumption may require investments in upgrading, enhancing resilience, and expanding electrical infrastructure, as well as improving or increasing the capacity of electricity distribution networks to manage rising demand. It may also require the development of new technologies and solutions to improve energy efficiency and meet the evolving demands of the market.	Risk	M-L	☒	☒	✓
E1	Energy	The trend towards electrification of consumption may lead to a reduction in investments in gas distribution networks (except for changes in the gas mix with other molecules/sources, such as green hydrogen or biomethane), resulting in lower profitability.	Risk	M-L	☒	☒	✓
E1	Energy	The development of new renewable energy capacity (photovoltaic, wind, hydroelectric) enables meeting the growing demand for sustainable energy, potentially leading to increased revenues and greater market competitiveness.	Opportunity	S-M	☒	✓	☒
E1	Energy	The increasing focus on energy efficiency and the tightening regulations on energy consumption present a potential growth opportunity for companies investing in innovative solutions to promote energy efficiency for residential customers, apartment blocks, public administrations, and industrial clients, while seeking further expansion in strategic markets.	Opportunity	S-M	☒	✓	☒
E1	Energy	Opportunity linked to the promotion of Renewable Energy Communities (RECs) in the target areas. Achievable through collaboration among the Group's various Business Units, aimed at supporting investments and fostering dialogue with stakeholders, particularly public authorities, by accessing available public incentives.	Opportunity	M-L	☒	✓	☒
E1	Energy	Opportunity to receive incentives for the energy transition, aimed at adapting and optimising infrastructure while reducing initial investment costs and improving project profitability. This opportunity arises from growing market awareness of sustainability and the evolving regulatory framework.	Opportunity	M-L	☒	✓	☒
E1	Energy	Opportunity linked to the introduction of zonal electricity tariffs, which will encourage investment in renewable energy and more sustainable production infrastructure.	Opportunity	S-M	☒	✓	☒
E1	Energy	The growing demand for renewable energy positively impacts the sale of electricity and the generation from renewable sources, potentially leading to increased revenues.	Opportunity	S-M	☒	✓	☒

2.1.1 Strategy

[ESRS E1, DR E1-1, DP 17, 19]

[ESRS_2, DR SBM-3, DP 48f]

To date, the Gruppo Magis has not yet developed a Transition Plan and a resilience analysis to ensure the compatibility of its strategy and business model with the transition to a sustainable economy and the decarbonisation commitments undertaken by Italy and Europe.

It should nevertheless be highlighted that, during the development and design of the Group's production plants, both existing and under construction, foreseeable climate change impacts have been assessed so that they can be incorporated at an early stage into the detailed design process. This approach reduces the need for later adaptation and mitigation interventions related to physical climate risks. The analyses performed are regularly updated to reflect changes in the current and future operating context over the useful life of each plant.

In the coming years, the Group intends to further strengthen its strategy for adapting to and mitigating climate risks by defining its model for sustainable and resilient growth.

Climate change mitigation is a core pillar of the Company's strategy and has already been incorporated into the strategic guidelines supporting the 2025–2030 Business Plan. As outlined in the previous chapters, it is also integrated into the Enterprise Risk Management (ERM) framework, where climate-related risks are specifically assessed and monitored by the cross-functional working group coordinated by the Risk Management and ESG Department.

[ESRS E1, DR E1-1, DP 18]

As anticipated in the chapter on General Information (see Section 1.4 Material Sustainability Topics), from FY 2024 the Group conducted and later updated a Double Materiality Analysis involving a more detailed evaluation of climate-related risks. This assessment considered not only the climate and environmental risks linked to the company's activities but also took into account the entire value chain. The analysis enabled the identification of the main physical risks, related to both chronic and acute adverse climatic events, as well as transition risks linked to the shift towards a more sustainable economy, providing a comprehensive overview of the implications for the Group's various business lines.

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

Table 21 – Physical and transition risks related to climate change

Relevant climate risks		
Type of Risk	**Description**	**Time horizons**
Transition risk	Failure to achieve the **decarbonisation targets** due to factors both internal to the organisation and external (such as changes in the social, political, and economic context).	Medium and Long Term
Physical risk	The **rise in temperatures** can pose a significant risk to workers' health and safety, increasing the likelihood of heatstroke and other heat-related illnesses. This may lead to reduced productivity and increased healthcare costs.	Short, Medium and Long Term

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

[ESRS E1, DR E1-4, DP 33]

At present, the Group has not yet set specific quantitative targets regarding GHG emissions. However, in light of the analyses carried out and the 2025-2030 Business Plan, the Group has identified the following strategic growth drivers.

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

To support these commitments and to actively contribute to achieving the United Nations Sustainable Development Goal of "Affordable and Clean Energy" (SDG 7), the Group has planned investments in the installation of new nominal capacity that will enable it to reach 70% renewable energy sources, totalling 450 MW of installed capacity (excluding cogeneration plants). Specifically, the investments will focus on new photovoltaic and wind power plants, as well as the efficiency improvements of existing hydroelectric facilities. For additional information on the Gruppo Magis's climate change mitigation investments, please refer to chapter no. 6.2 "Outlook (Article 2428, paragraph 3, point 6)" of the Report on Operations.

The Group's objective is to pursue the energy transition by increasing, through its subsidiary Magis Power, the share of electricity generated from renewable sources, with the aim of reaching the production of 780 GWh of green energy by the end of 2030, as well as covering the Group's energy requirements. To confirm this commitment, it is actively involved in the development and management of low-emission production systems, supported by research and innovation of the best available technologies, as well as by offering its customers the most efficient solutions and technologies aimed at energy optimisation and the gradual decarbonisation of consumption, supporting them throughout the ecological transition.

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

The 2025-2030 Business Plan gives substance to our goal of accelerating the energy transition by consolidating, strengthening and positioning Magis among Italy's leading multi-utilities: renewable sources, district heating and customer growth are the strategic drivers that will enable us to create value for consumers, businesses and, more generally, the entire community. A strong drive to invest in projects with a long-term perspective, which can have impacts extending beyond the Plan's five-year scope.

2.1.2 Impacts, risks and opportunities management

[ESRS_2, MDR-P, DP 65a, 65b]

[ESRS_E1, DR E1-2, DP 25a, 25b, 25c, 25d, 25e]

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

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

[ESRS_2, MDR-P, DP 65c]

These policies are adopted by the Parent Company's Board of Directors by resolution, on the proposal of the Chief Executive Officer, who is responsible for drafting them and updating them periodically with the support of the Company's Finance & Control Department.

[ESRS_2, MDR-P, DP 65f]

To support the effective application of the above Policies, they are shared across all Group companies to ensure awareness and adoption. In addition, the Policies are shared with all stakeholders, in line with principles of transparency and cooperation along the Value Chain, through dedicated communications and publication on the Parent Company Magis' corporate website, within the sustainability section (https://www.gruppomagis.it/sostenibilita).

[ESRS_2, MDR-P, DP 65e]

The analysis of the issues that emerged through the various channels of engagement with stakeholders made it possible to gather and consolidate the expectations of the different categories of stakeholders, with particular attention to the topics in question.

As part of its operational activities, the Magis Group has adopted an ISO 14001:2015-certified Environmental Management System intended to support continuous improvement and prevent incidents and emergency events through dedicated control measures. In this context, the Group has defined and adopted operational procedures aimed at regulating roles and responsibilities for mitigating environmental impacts and/or risks to both the environment and the organisation. The Group's key operational procedures include the following:

- PO.0035 – Monitoring of greenhouse gas (CO2) emissions from cogeneration plants.
- Atmospheric emissions monitoring system, which outlines the functional requirements and specifications of the monitoring system in compliance with Annex VI, Part V, of Legislative Decree 152/2006 (Environmental Consolidation Act).

Since February 2025, the Power and Heat Business Units, managed by Magis Power and Magis Calore, have adopted an ISO 50001:2018-certified Energy Management System designed to continuously enhance energy performance, improve efficiency, reduce climate-altering emissions, and lower both costs and environmental impacts through a systematic approach integrated with the Group's other management systems. In this context, the Group has defined and adopted operational procedures aimed at regulating roles and responsibilities for mitigating impacts and/or risks in the area of energy management. The Group's key operational procedures include the following:

- Quality, health and safety, environment and energy policy;
- operational procedures relating to energy planning (PO.0283 and PO 0284);
- energy analysis of sites and facilities subject to certification;
- procedures for maintenance and management of facilities;
- procedures for measuring consumption and emissions (PO0035).

Industrial and sustainability planning

[ESRS_2, MDR-A, DP 68 a, 68b, 68c]

[ESRS_E1, DR E1-3, DP 29a, 29b]

The Gruppo Magis promotes climate change mitigation strategies in order to reduce climate-changing emissions that have a direct impact on the quality of the environment in which we live.

During the reporting year, following the joint development of the 2025-2030 Business Plan and the ESG Plan, the Group expanded its portfolio of climate- and energy-related actions and objectives, strengthening integration between strategic directions, industrial development and sustainability.

Specifically, in the area of climate resilience and adaptation, the Group has set the target of assessing 100% of assets with nominal capacity above 1 MW for exposure to physical and transition climate risks, using as a 2024 baseline the preliminary assessment performed for sustainability reporting purposes. In support of this objective, the Group plans, in the period 2026-2027, to conduct a structured analysis of resilience to physical and transition climate risks and to define the related adaptation plan. This strategic approach also encompasses the revitalisation of district heating networks in Verona and Vicenza, with a long-term objective of delivering decarbonised thermal energy in urban settings through geothermal development and, in the future, the recovery of industrial waste heat. Within this framework, assessments may gradually be expanded to cover electricity and gas networks as well.

With reference to the energy transition and the development of renewable electricity sources, the Group defined the objective of achieving production of 780 GWh of electricity from renewable sources, compared with a 2024 baseline of 317.6 GWh, as well as reaching 70% of installed electrical capacity from RES, compared with a 2024 baseline of 45.4% and 157.8 MW of installed RES capacity, in a context where the expected national mix stands at 68%. Included within this strategic initiative is the Monte Giogo di Villore wind project, involving the installation of seven wind turbines on the ridge between Monte Giogo di Villore and Monte Giogo di Corella, for a total installed capacity of 29.6 MW. According to project estimates, the plant is capable of producing about 85 GWh/year of electricity. During the 2025 financial year, work began on the civil works and the construction of the infrastructure for connection to the electricity grid, as well as the procurement of the wind turbines and the selection of the companies responsible for the installation phases.

As part of energy innovation initiatives, the Gruppo Magis takes part in the Venice “Hydrogen Valley” project, developed in line with the actions of the energy transition. Starting from the 2024 2025 two-year period, in partnership with the ENI Group, Magis is involved in building a plant for the production of green hydrogen intended to supply a fleet of around 90 hydrogen buses used in the local public transport service managed by AVM (Azienda Veneziana della Mobilità S.p.A.). Starting from July 2026, the buses will be used for the urban service of the Municipality of Venice - Mestre. Hydrogen will be produced by a water electrolysis plant based on PEM electrolysers (proton exchange membrane), powered exclusively by electricity from renewable sources.

As regards renewable thermal energy, the Group has envisaged installing geothermal heat generation plants with a total capacity of 34 MWth and expected output of 144 GWhth/year, compared with a 2024 baseline of zero. This development is intended to achieve 50% of thermal energy from geothermal energy in the district heating network, compared with a 2024 baseline of zero, a national target value of 0.4% and an expected share of renewables in the thermal sector of 35.9%. This also includes the recovery of waste heat from industrial sites, as envisaged in the Business Plan.

Finally, as regards energy efficiency, the Group has defined the objective of achieving, from 2030, a reduction of 80,000 tCO_2eq/year avoided thanks to energy efficiency measures and the generation of renewable electricity and thermal energy that will be obtained through projects to be implemented at our customers and/or partners. To support this result, the achievement of energy savings of 90 GWh/year from 2030 through energy efficiency measures is envisaged, including those relating to electricity networks.

2.1.3 Metrics and targets

Group energy consumption

[ESRS_E1, DR E1-5, DP 35]

The Group’s direct energy consumption refers to the use of fuel for generating electricity and heat in the Group’s owned facilities (such as cogeneration and thermoelectric plants), as well as non-renewable primary energy flows not directly linked to energy production (for example, energy used for heating premises and refuelling the Group’s vehicles, employed both for staff transport and company activities like waste collection, etc.).

Indirect energy consumption, i.e. the electricity that the Group purchases and consumes, refers to the Group’s production sites and plants. In 2025, the majority of the Group’s electricity consumption continued to come from renewable sources certified through Guarantees of Origin, except for the electricity used by the Mincio thermoelectric plant—which is 50% owned by the Group but not operationally controlled—and a small number of operational sites with low consumption levels, namely Cogaspiù Energie and Eco-Tirana.

With the aim of reducing its environmental footprint, the Group certified the electricity used for its activities through the purchase of green certificates; these certificates cover a good part of the Group’s electricity requirements[7] . Overall, green certificates were purchased to cover 34,523.6 MWh of electricity consumed.

7 Green certificates cover 86.4% of the Group’s electricity consumption, equal to 34,523.6 MWh.

The Group's vehicle fleet includes various types of vehicles and powertrains, reflecting the diversity of the services offered, which require the use of different technologies. Since 2023, the Group has included within its direct consumption figures the consumption related to company vehicles assigned as fringe benefits[8].

The company vehicle fleet is subject to particular attention by the Group, which is committed to gradually reducing atmospheric emissions deriving from road traffic, through the systematic renewal of the most polluting vehicles and the improved and more efficient management of travel between company premises.

In 2025, total electricity consumption (from both fossil and renewable sources) amounts to 39,970 MWh. The share of electricity consumed internally from renewable sources is 86.4% of the total, while that from fossil sources is 13.6% of the total.

8 With regard to the consumption of cars as fringe benefits, the Group has estimated that it is responsible for 70% of the fuel used in the vehicle for mixed use.

Climate change – ESRS_E1

Energy consumption and mix

[ESRS_E1, DR E1-5, DP 35, 37a, 37b, 37c, 38a, 38b, 38c, 38d, 38e, 39]

Table 22 – Energy consumption

Energy consumption	2025	2024
Coal and coal products fuel consumption (MWh)	0,0	0,0
Crude oil and petroleum products fuel consumption (MWh)	52.643,2	45.012,8
Natural gas fuel consumption (MWh)	742.069,4	766.046,8
Other non-renewable fuels consumption (MWh)	23,0	9,6
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	5.446,4	4.222,7
Total energy consumption from fossil sources (MWh)	**800.182,0**	**815.292,0**
Share of fossil fuels in total energy consumption (%)	*95,9%*	*95,5%*
Nuclear sources consumption (MWh)	0,0	0,0
Share of nuclear sources in total energy consumption (%)	*0,0%*	*0,0%*
Fuel consumption for renewable sources, including biomass (MWh)	0,0	0,0
Consumption of electricity, steam, and cooling from renewable sources, purchased or acquired (MWh)	34.523,6	38.227,9
Self-generated renewable energy consumption without the use of fuels (MWh)	0,0	0,0
Total energy consumption from renewable sources (MWh)	**34.523,6**	**38.227,9**
Share of renewable sources in total energy consumption (%)	*4,1%*	*4,5%*
Total Energy Consumption (MWh)	**834.705,6**	**853.519,9**

Electricity produced (MWh)

[ESRS_E1, DR E1-5, DP 39]

The total gross electricity produced and cogenerated by the Group during the financial year amounts to 519.7 GWh, also considering the energy required to cover the consumption necessary for production operations (auxiliary consumption) and the contribution of cogeneration at heat production plants for the district heating networks of the cities of Verona and Vicenza.

In particular, electricity production from renewable sources[9] during the financial year amounted to 284.2 GWh and represents 54.7% of total electricity produced and cogenerated. Net of cogenerated energy related to district heating operations, electricity generated from renewable sources accounted for 81.8% of total energy production. This performance confirms the Group's strong commitment to sustainability, reflected in the substantial share of renewable energy within its generation mix.

In particular, renewable energy production at the Group's plants is distributed across various Italian regions: Veneto (37.0%); Trentino Alto-Adige (24.4%); Tuscany (19.2%); Emilia-Romagna (12.2%); rest of Italy (7.2%).

For a detailed analysis of electricity production excluding cogeneration, please refer to the previous section "1.2.2 Electricity Generation".

Table 23 – Electricity produced and cogenerated broken down by type of production source (MWh)

	2025		2024	
Total non-renewable energy produced	**235.578,8**	**45,3%**	**243.322,9**	**43,4%**
Generation of electricity - Thermoelectric	63.281,4		65.007,8	
Generation of electricity - Cogeneration	172.297,4		178.315,1	
Total renewable energy produced	**284.162,3**	**54,7%**	**317.592,5**	**56,6%**
Generation of electricity - Hydroelectric	141.374,5		200.841,4	
Generation of electricity - Photovoltaic	43.003,7		22.116,9	
Generation of electricity - Wind	99.784,2		94.634,3	
Total energy produced	**519.741,2**	**100,0%**	**560.915,4**	**100,0%**

9 The value of renewable energy production stated includes energy from the Power Business Unit's plants (approx. 316.6 MWh) and a number of smaller facilities managed by other Group entities (approx. 1.0 MWh).

Energy intensity in relation to net revenues

[ESRS_E1, DR E1-5, DP 40, 41, 42, 43]

According to the provisions of Commission Delegated Regulation (EU) 2022/1288, all companies within the Group are classified as belonging to the "high climate impact" sectors[10] . Energy intensity, calculated on the basis of the Group's energy consumption and net revenues, amounted to 0.39 MWh per € thousand of net revenues. The energy intensity index was calculated based on the revenue value reported in this Annual Financial Report of the Magis Group for the 2025 financial year.

Table 24 – Energy intensity

	2025	2024
Total energy consumption of activities in high climate impact sectors (MWh)	834.705,6	853.519,9
Net revenue in high climate impact sectors (€/000)	2.158.008,4	1.918.072,0
Total energy consumption of activities in high climate impact sectors relative to net revenues generated from those activities (MWh/million €)	0,39	0,44

Thermal energy produced and fed into the network (MWht)

[ESRS_E1, DR E1-5, DP 39]

During the financial year, the Magis Group produced 309.2 GWht of thermal energy through the plants managed by the Heat Business Unit.

Table 25 – Thermal energy produced (MWht)

	2025	2024
Thermal energy produced (= fed into the network)	309.211,9	309.327,7

10 The Magis Group operates mainly in NACE sectors categories "D" and "E", relating respectively to the supply of electricity, gas, steam and air conditioning and to water and waste management activities.

The Group's greenhouse gas emissions

[ESRS_E1, DR E1-6, DP 44, 48]

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

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

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

Direct emissions - Scope 1

Greenhouse gas emissions falling within Scope 1 and arising from sources controlled by the Group are mainly attributable to:

- fuels used in waste treatment plants and in plants for the production of energy and heat;
- consumption by the company vehicle fleet;
- natural gas consumption for heating buildings at the various sites and for other production-support activities;
- fugitive natural gas emissions generated by losses along the distribution networks managed by the Group;
- fugitive methane (CH_4) emissions associated with the management of waste stored at SIA's active landfill and the production of biomethane through anaerobic digestion at the Ca' del Bue plant in Verona.

The Group's Scope 1 direct emissions also encompass greenhouse gas emissions from facilities covered by the EU ETS Directive (2003/87/EC). In this context, 64.1% of the Group's Scope 1 greenhouse gas emissions are covered by regulated emissions trading schemes.

Compared to the previous financial year, during the current reporting period a methodological refinement was introduced in the calculation of direct Scope 1 emissions, which led to the inclusion of fugitive emissions (not yet estimated in 2024).

Indirect emissions - Scope 2

The Group's Scope 2 indirect emissions are related to the purchase of electricity and heat required to carry out business activities. In line with the GHG Protocol, these emissions are reported using the location-based method and the market-based method: the former reflects the average emission intensity of the relevant energy system, while the latter considers the Group's specific energy sourcing arrangements.

The main sources of the Group's Scope 2 emissions are attributable to:

- electricity purchased and consumed internally to carry out the Group's operational activities;
- heat purchased and consumed to carry out the Group's operational activities;
- losses of purchased and resold electricity associated with the transit of energy over networks owned by or under the control of the Group[11] .

During the 2025 financial year, a methodological refinement was introduced in the calculation of indirect Scope 2 emissions, including losses arising from the transmission and distribution of electricity purchased and resold to end users through the Group's networks.

11 According to the GHG Protocol, emissions arising from the generation of the energy purchased and consumed during transmission and distribution activities are accounted for in Scope 2 by the company that owns or controls the relevant networks. This is a typical feature of the utility sector.

Indirect emissions - Scope 3

Starting from the 2023 financial year, the Magis Group has begun mapping and analysing indirect GHG emissions known as Scope 3, which relate to emission sources not under direct company control but are indirectly caused along our value chain by the conduct of business activities.

Therefore, this includes emissions upstream – such as emissions caused by the extraction, production and transport of raw materials – and downstream – such as emissions generated by using products sold – of company activities.

In recent years, the Group has concentrated its efforts on progressively expanding the reporting and monitoring of this category of GHG emissions, thus completing the assessment of its carbon footprint needed to support the development of the Group's decarbonisation strategy.

The Magis Group's current commitment is to consolidate emission estimation methodologies by defining a continuous improvement pathway aimed at refining the quality, completeness and accuracy of the data used for sustainability reporting.

Once the reference baseline has been defined, Magis intends to launch the project to define its Net Zero Strategy, identifying short, medium and long-term targets, and providing for the strategy to be validated by the international organisation Science Based Targets initiative (SBTi).

Within the context briefly outlined above, Magis carried out an analysis of the internal and external relevance of each of the categories defined by the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" (revised edition). In particular, the significance for the Group of the emission sources described in the categories of Scope 3 was evaluated by taking into account, among others, the following criteria:

- magnitude of the reference category compared to the total emissions produced;
- the contribution of the category to the Group's risk exposure (e.g. climate-related, financial and/or regulatory risks);
- the level of significance of the emission source dictated by the specific characteristics of the sector to which it belongs;
- the accessibility of the data required to develop the estimates.

The Group's total greenhouse gas emissions (Scope 1, Scope 2 market-based, and Scope 3) for the reporting year amount to 3,607,103 tonnes of CO2e.

Specifically, the emissions directly produced by the Group (Scope 1) amount to 178,129 tonnes of CO2e and represent approximately 4.9% of the Group's total emissions.

Indirect emissions from the electricity consumed by the Group (Scope 2), calculated using the market-based method, amount to 11,468 tonnes of CO2e, representing 0.3% of the Group's total emissions. When calculated using the "location-based" method, applying a national average emission factor for electricity consumption (equal to 198.9 gCO2/kWh[12]) that does not take into account the company's specific purchasing choices, Scope 2 emissions amount instead to 17,432 tonnes of CO2e.

Indirect emissions caused by the Group's activities along the value chain (Scope 3) are 3,417,506 tonnes of CO2e, representing 94.7% of the Group's total emissions (market-based).

12 Preliminary ISPRA data available as at the publication date of this report (latest update: 7 May 2025).

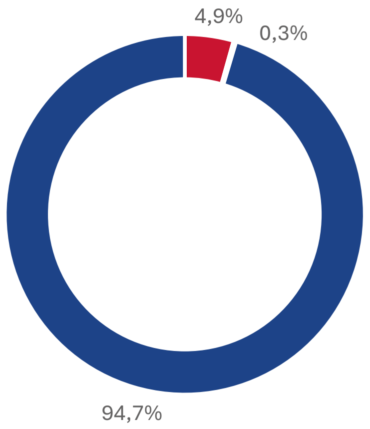


Figure 21 – Composition by scope of the Magis Group's greenhouse gas emissions (tCO2e)

The methodology for calculation adopted is based on the GHG Protocol, applying specific methods for each category, as follows:

- Category 1 – Purchased Goods and Services: emissions were calculated mainly using a spend-based approach, applying specific emission factors according to the expenditure item of the good or service considered. For natural gas purchased for resale to end customers, the calculation was based on the specific quantities acquired (measured in cubic metres), applying a Well-To-Tank (WTT) emission factor that accounts for upstream emissions generated during fuel production, transportation, and storage.
- Category 2 – Capital goods: emissions were estimated using a spend-based methodology, applying the corresponding emission factors to capital expenditure categories.
- Category 3 – Fuel- and energy-related activities: emissions were calculated on the basis of actual fuel, electricity and heat consumption, applying emission factors differentiated by fuel type or energy carrier. Upstream emissions associated with the generation of electricity purchased and resold to end users were also included, in accordance with the GHG Protocol provisions for energy utilities. For this reporting period, the calculation benefited from a methodological refinement that enabled the precise identification of the relevant emitting activities and a more accurate allocation of emission factors. In order to avoid double counting, upstream transmission and distribution losses of electricity purchased and consumed by the Group were not included in Category 3, as they are already incorporated in the ISPRA emission factor used for Scope 2 location based.
- Category 4 – Upstream transportation and distribution: emissions were calculated using a distance-based approach, which estimates emissions on the basis of kilometres (km) travelled according to the type of transport vehicle used. For the calculation of this category, estimated kilometres relating both to transport from suppliers to the Group (so-called inbound logistics) and transport departing from the organisation (so-called outbound logistics) were considered.
- Category 5 – Waste generated during operations: emissions were calculated by considering the quantities of waste generated by the Group and transferred to third-party facilities for treatment, applying specific emission factors according to the type of waste and final treatment method. The flow of urban waste collected as part of the Group's environmental services activities was excluded, as, since it is not subject to any internal treatment activity, such waste is only transferred to third-party facilities (intermediation with or without holding). As they do not undergo any transformation or processing by the Group, they are therefore not considered "waste generated during operations" under the standards set out by the GHG Protocol for this emission category. Compared with the previous reporting period, for the 2025 financial year it was possible to analyse and identify more precisely the waste flows relevant for the reporting of Category 5 emissions

which, together with a more accurate allocation of emission factors by waste type, resulted in a methodological refinement in the calculation of the category's emissions.

- Category 6 – Business travel: emissions were calculated based on an estimate of the distances travelled by employees for work purposes using different means of transport (car, train and aeroplane), adapting the estimation methodology depending on the mode of transport used (for example, as-the-crow-flies distance for air travel and rail distance tables for train travel) and applying distinct emission factors for each mode of transport used.
- Category 7 – Employee commuting: emissions were calculated assuming, in the absence of detailed data on the mode of transport, exclusive use of private cars. With regard to the calculation of emissions for Eco Tirana, in the absence of data on distances travelled and the mode of transport used, estimates were made based on a previous local study. As regards the days worked by the Group's employees (excluding Eco Tirana, for which a different estimation process was carried out), estimates were made of the days actually worked during 2025.
- Category 11 – Use of sold products: emissions were calculated based on the volumes of gas and biomethane sold, using specific Scope 1 emission factors associated with the combustion of the product by end users.
- Category 13 – Downstream leased assets: in the absence of detailed technical data relating to assets under leasing/rental, emissions were calculated using a revenue-based approach for the leasing activities carried out by the Group, associating the relevant revenue with the appropriate emission factor depending on the asset from which the revenue arises.
- Category 15 – Investments: emissions were calculated according to the formula set out in the Standard on Financed Emissions (PCAF Standard) under option 3 – Economic Activity-Based Emissions, as the companies in which the Group holds equity investments do not report an emissions inventory in their financial statements.

Finally, the following categories of emissions were deemed neither applicable nor relevant for the Magis Group and were therefore not estimated. For each category not calculated, the rationale supporting its exclusion is set out below.

- Category 8 – Upstream leased assets: this category refers to emissions arising from the operation of assets rented by the company; following the analyses carried out, this category was found not to be applicable and therefore not relevant for the Group, as the organisation has operational control over all assets under operating leases, and the resulting emissions are therefore already reported in the other categories already included.
- Category 9 – Downstream transport and distribution: this category refers to emissions arising from the transport and distribution of products sold by the reporting company during the reference year, between its operations and the final consumer; this category was found not to be applicable and therefore not relevant for the Group, as Magis does not carry out downstream transport and distribution activities for goods.
- Category 10 – Processing of sold products: this category refers to emissions arising from the processing of intermediate products sold by third parties (for example, manufacturers) following their sale by the reporting organisation; this category is not applicable and therefore not relevant for the Group, as Magis does not sell semi-finished products that undergo further downstream processing.
- Category 12 – End of life treatment of sold products: this category refers to emissions arising from the disposal and treatment of waste from products sold by the reporting company at the end of their life cycle; this category is not applicable and therefore not relevant for the Group, as Magis does not sell any type of finished product that could undergo end-of-life treatment.
- Category 14 – Franchising: this category refers to emissions arising from business activities conducted through franchising (for example, by affiliation and under licence) not included in Scope 1 or Scope 2; this category is not applicable and therefore not relevant for the Group, as it is not active in franchising activities.

The Magis Group remains committed to monitoring the evolving operating context and the relevance of those emission categories currently excluded from disclosure, activating appropriate data collection and assessment activities where necessary to further integrate Scope 3 indirect emissions reporting.

Greenhouse gas emissions (in tCO2eq)[13] .

[ESRS_E1, DR E1-6, DP 44a, 44b, 44c, 44d, 45a, 45b, 45c, 45d, 46, 47, 48a, 48b, 49a, 49b, 50a, 50b, 51, 52a, 52b]

Table 26 – Direct emissions (Scope 1)

Scope 1 (tCO2e)	2025	2024	Change %
Gross Scope 1 emissions	178.129	192.847	-7,6%
% of Scope 1 emissions covered by regulated emissions trading systems	64,1%	65,3%	-15,5%

In 2025, direct (Scope 1) emissions were broadly in line with those reported in the previous year, recording a 7.6% decrease due to an update, in the reference year, of the emission factors used.

Table 27 – Indirect emissions (Scope 2)[14]

Scope 2 (tCO2e)	2025	2024	Change %
Gross Scope 2 emissions (location-based)	17.432	10.714	62,7%
Gross Scope 2 emissions (market-based)	11.468	2.114	424,8%

Compared with the previous 2024 financial year, Scope 2 emissions, both location-based and market-based, increased due to the methodological change mentioned above (see the paragraph on "Indirect emissions (Scope 2)").

13 Emission factors used:
Scope 1: DESNZ – GOV. UK - Department for Energy Security and Net Zero– Greenhouse gas reporting: conversion factors 2025
Scope1: ISPRA 2025 – Table of national standard parameters 2025
Scope 2 Location-based: ISPRA – Emission factors for the production and consumption of electricity in Italy, 2025
Scope 2 Market-based: AIB - 2024 European Residual Mix
Scope 2: DESNZ - GOV. UK Department for Energy Security and Net Zero– Greenhouse gas reporting: conversion factors 2025
Scope 3, Category1: EPA – Environmental Protection Agency 2022
Scope 3, Category1: DESNZ - GOV. UK Department for Energy Security and Net Zero– Greenhouse gas reporting: conversion factors 2025
Scope 3, Category 2: EPA – Environmental Protection Agency 2022
Scope 3, Category 3: DESNZ - GOV. UK Department for Energy Security and Net Zero– Greenhouse gas reporting: conversion factors 2025
Scope 3, Category 5: DESNZ - GOV. UK Department for Energy Security and Net Zero – Greenhouse gas reporting: conversion factors 2025 – Waste disposal 2025; EcoInvent 3.12 LCA
Scope 3, Category 6: DESNZ - GOV. UK Department for Energy Security and Net Zero– Greenhouse gas reporting: conversion factors 2025
Scope 3, Category 7: DESNZ - GOV. UK Department for Energy Security and Net Zero– Greenhouse gas reporting: conversion factors 2025
Scope 3, Category 11: DESNZ - GOV. UK Department for Energy Security and Net Zero– Greenhouse gas reporting: conversion factors 2025
Scope 3, Category 13: EPA – Environmental Protection Agency 2022
Scope 3, Category 15: Standard on Financed Emissions (PCAF Standard)

14 Total Scope 2 emissions are reported in tCO2e for the purposes of calculating the carbon footprint; however, it should be noted that emissions relating to purchased and consumed electricity were quantified in tCO2.

Table 28 – Indirect emissions (Scope 3)

Scope 3 (tCO2e)	2025	2024	% Change
Scope 3 Total Gross Indirect Emissions	**3.417.506**	**4.210.679**	**-18,8%**
1. Purchased goods and services	584.380	247.607	136,0%
2. Capital goods	30.342	51.149	-40,7%
3. Fuel- and energy-related activities	1.198.634	2.451.276	-51,1%
4. Upstream transport and distribution	426		-
5. Waste generated in operations	53.674	264.928	-79,7%
6. Business travel	32	12	166,7%
7. Employee commuting	2.997	3.774	-20,6%
8. Upstream leased assets			-
9. Downstream transport			-
10. Processing of sold products			-
11. Use of sold products	1.540.187	1.191.933	29,2%
12. End-of-life treatment of sold products			-
13. Downstream leased assets	4.727		-
14. Franchising			-
15. Investments	2.107		-
Other Scope 3 category			-
Total (Scope 1, Scope 2 location-based and Scope 3)	**3.613.068**	**4.414.240**	
Total (Scope 1, Scope 2 market-based and Scope 3)	**3.607.103**	**4.405.640**	

Compared with the previous year, in 2025 Scope 3 emissions recorded variations mainly attributable to category 1. Purchased goods and services, 3. Fuel- and energy-related activities, 5. Waste generated in operations and 11. Use of sold products.

Category 1. Purchased goods and services, which includes emissions generated upstream along the value chain, recorded an increase, mainly attributable to the rise in volumes of gas purchased and subsequently resold by the Group. This trend is also consistently reflected in category 11. Use of sold products, which includes downstream emissions associated with the end use of the gas marketed by end users.

With reference to category 3. Fuel- and energy-related activities not included in Scopes 1 and 2, show a reduction in emissions compared with the previous year, mainly attributable to a methodological refinement of the calculation scope and the emission factors adopted, as described in the paragraph "Indirect emissions (Scope 3)".

Similarly, category 5. Waste generated in operations shows a decrease in emissions compared with the previous 2024 financial year, attributable to the methodological refinement described in the same section, which enabled a more accurate and representative estimate of the associated emissions.

Lastly, category 11. Use of sold products shows an increase in emissions in line with the rise in volumes of gas and biomethane sold during the 2025 financial year, confirming the relationship between procurement dynamics and the downstream emissions associated with the use of the gas marketed.

Biogenic CO2 emissions – Outside of scope

Emissions deriving from the end use of the biomethane produced by the Ca' del Bue plant in Verona were accounted for according to the type of gas emitted. In particular, nitrous oxide (N_2O) and methane (CH_4) emissions are included in Scope 3, Category 11 – Use of sold products; whereas carbon dioxide (CO_2) emissions, being biogenic, were not considered in the Carbon Footprint calculation and are therefore presented separately in the Outside of Scope section.

Total biogenic carbon dioxide (CO_2) emissions associated with the biomethane sold and used by end users amount to 1,866 tCO_2e.

GHG intensity based on net revenue

[ESRS_E1, DR E1-6, DP 53, 54]

Table 29 – Emission intensity

	2025	2024
Total GHG emissions (location-based) (t CO2eq)	3.613.068	4.414.240
Total GHG emissions (market-based) (t CO2eq)	3.607.103	4.405.640
Net revenue from activities in high climate impact sectors (€/000)	2.158.008	1.918.072
Total GHG emissions (location-based) compared to net revenues (t CO2eq/ € thousands)	**1,67**	**2,30**
Total GHG emissions (market-based) compared to net revenues (t CO2eq / € thousands)	**1,67**	**2,30**

2.2. Pollution - ESRS E2

2.2.1 Impacts, risks and opportunities management

[ESRS_2, DR IRO-1, DP 11a]

[ESRS_2, DR SBM-3, DP 48a]

The following table lists the impacts, risks, and opportunities related to pollution that the Magis Group has identified and assessed as material in the context of the Double Materiality Assessment (DMA) carried out in the previous financial year and updated in 2025, as described in the paragraph "1.4 Material sustainability topics".

[ESRS_2, DR IRO-1, DP 11b]

As part of this initiative, the Magis Group adopted a structured stakeholder engagement approach that, over the course of 2025, promoted targeted meetings and workshops involving key opinion leaders and representatives of the Group's primary internal and external stakeholders. For further details, please refer to the section "1.3 Our commitment to stakeholders".

[ESRS_2, DR SBM-3, DP 48c]

Results of the impact materiality assessment

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

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe (S=Short M=Medium L=Long term)	Stage of the value chain		
					Upstream	Operations owned	Downstream
E2	Air pollution	Harmful air emissions produced by activities (such as cogeneration heat and electricity) may lead to penalties, increased compliance costs, and capital expenditures for installing new monitoring technologies, resulting in a negative financial impact on the company.	Risk	S-M-L	☒	✓	☒
E2	Microplastics	Operations of the Heat and Environment BUs may pose a risk of contamination to water sources and soil, potentially leading to sanctions, remediation and restoration costs, and/or reputational damage.	Risk	S-M-L	☒	✓	☒

[ESRS_2, MDR-P, DP 65 a, 65 b, 65 c, 65d, 65e, 65 f]

The Group has defined its commitment to reducing environmental impact, with particular focus on controlling air pollution, through the Environmental Protection Policy[15] which outlines the values and principles guiding the Group's business model aimed at promoting sustainable and responsible behaviours towards the environment, minimising environmental impacts and optimising the use of energy and natural resources.

The analysis of the matters raised through the various channels of dialogue with stakeholders made it possible to collect and consolidate the expectations of the different stakeholder categories, with particular attention to the topic under consideration.

The Environmental Protection Policy was adopted by the Parent Company's Board of Directors on the proposal of the Chief Executive Officer, who is responsible for drafting it and updating it periodically with the support of the Company's Finance & Control Department.

To support effective implementation, the Policy is shared with all Group subsidiaries to ensure awareness and adoption. Furthermore, in the interest of transparency and collaboration with stakeholders across the value chain, it is communicated to all stakeholders both through publication on the corporate website and through specific communications, where deemed necessary and appropriate.

[ESRS_E2, DR E2-1, DP 15a,15c]

[ESRS_E2, DR E2-4, DP 30a, 30b, 30c]

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

- Operational Procedure 0066, which outlines the criteria adopted for conducting environmental controls in cogeneration plants;

15 The Magis Group draws on a European and national regulatory framework for the implementation of its sustainability principles, including the United Nations Global Compact (UNGC), the Sustainable Development Goals (SDGs), the GRI Sustainability Reporting Standards and the ESRS – European Sustainability Reporting Standards, the EU Taxonomy under Regulation (EU) 2020/852, the commitments arising from the Paris Climate Conference (COP21), the European Green Deal and the EU Biodiversity Strategy to 2030. In addition, this includes the recommendations of the Task Force on Climate related Financial Disclosures (TCFD), the Integrated National Energy and Climate Plan (PNIEC), the principles of the GHG Protocol and the UN Principles for Responsible Investment (UN PRI).

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

Pollutant control is carried out through a combination of continuous measurements and periodic sampling, ensuring constant oversight of plants' emission performance.

In particular, a continuous monitoring system (SME) is in operation at the Borgo Trento power plant (VR), enabling the daily collection and processing of data on nitrogen oxides (Nox), carbon monoxide (CO), oxygen (O_2) and ammonia (NH_3), with annual verification of the measuring systems in accordance with UNI EN 14181 and weekly and six-monthly calibration procedures.

All power plants also carry out annual sampling on engines and boilers, conducted by certified internal or external laboratories, using analytical methods recognised at European level (e.g. UNI EN 14792 for NOx and UNI EN 15058 for CO). Measurements are performed in accordance with standardised protocols that ensure the representativeness and repeatability of results, often through series of consecutive measurements or extended monitoring.

In addition to emissions monitoring, management checks are carried out to optimise combustion, such as verifying catalyst efficiency and seasonally calibrating burners, helping to reduce the pollutants produced.

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68d, 68e]

[ESRS_E2, DR E2-2, DP 19a, 19b]

In line with prior years, and in accordance with the adopted operating procedures and Integrated Environmental Authorisations (AIA), the Group implements strict controls over air emissions from cogeneration[16] facilities in order to avoid breaches of authorised limits. These measures include ongoing monitoring of emissions, the implementation of advanced filtration and purification systems, and the adoption of operational practices aimed at minimising the environmental impact of industrial activities.

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

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

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

The actions described above do not have a completion deadline, as they are ongoing activities integrated into the operational management of the plants.

16 The plants concerned are those of Borgo Trento, Centro Città, Golosine, Banchette, Forte Procolo and Fiera.

2.2.2 Metrics and targets

[ESRS_E2, DR E2-4, DP 28a]

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

- Nitrogen oxides (NO2X).
- Carbon Monoxide (CO).
- Oxygen (O_2).
- Sulfur dioxide.
- Dust.

[ESRS_2, MDR-T, DP 81a, 81b]

[ESRS_E2, DR E2-4, DP 28a]

While the Group does not currently have formal quantitative targets in this area, it systematically monitors emissions and the effectiveness of implemented measures to ensure compliance with relevant regulations.

In the reporting year, no instances of exceeding the permitted emission thresholds indicated in Annex II of Regulation (EC) No 166/2006 were recorded.

As part of its strategic development path, the Magis Group plans to launch a project aimed at defining specific pollution-related objectives.

[ESRS_E2, DR E2-4, DP 28b]

With regard to the potential release of microplastics resulting from tyre wear caused by contact with road surfaces by its operational vehicles (for example, vehicles used for waste collection), the Magis Group is committed to developing a system for monitoring and reporting the volumes of microplastics generated over the coming financial years.

2.3. Water and marine resources – ESRS E3

2.3.1 Impacts, risks and opportunities management

[ESRS_ 2, DR IRO-1, DP 8a]

[ESRS_2, DR SBM-3, DP 48a]

The table below lists the impacts, risks, and opportunities relating to water and marine resources that the Magis Group identified and assessed as material following the Double Materiality Analysis (DMA) carried out in the previous financial year and updated in 2025, as described in section 1.4 Material Sustainability Topics.

[ESRS_ 2, DR IRO-1, DP 8b]

As part of this initiative, the Magis Group adopted a structured stakeholder engagement approach that, over the course of 2025, promoted targeted meetings and workshops involving key opinion leaders and representatives of the Group's primary internal and external stakeholders. For further details, please refer to the section "1.3 Our commitment to stakeholders".

[ESRS_2, DR SBM-3, DP 48c]

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe (S=Short M=Medium L=Long term)	Stage of the value chain		
					Upstream	Operations owned	Downstream
E3	Water with-drawals	The concentrated extraction of water from specific local sources for high water-use industrial operations (both internal production processes and those of suppliers along the supply chain) can have negative impacts on water availability, water quality, and aquatic habitats.	Potential negative impact	S-M	✓	✓	☒

Results of the financial materiality assessment

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

[ESRS_2, MDR-P, DP 65a, 65b, 65c, 65d, 65e, 65f]

[ESRS_E3, DR E3-1, DP 12a ii, 12a iii, 12c]

As outlined in the Environmental Protection Policy[17] , the Magis Group is committed to using water resources consciously and sustainably, across all production processes and throughout its value chain.

The analysis of the matters raised through the various channels of dialogue with stakeholders made it possible to collect and consolidate the expectations of the different stakeholder categories, with particular attention to the topic under consideration.

The Policy was adopted by the Parent Company's Board of Directors on the proposal of the Chief Executive Officer, who is responsible for drafting it and updating it periodically with the support of the Company's Finance & Control Department.

17 The European and national regulatory framework adopted by Gruppo Magis as a reference for the implementation of its sustainability principles includes the guidelines of the United Nations Global Compact (UNGC), the Sustainable Development Goals (SDGs), the GRI Sustainability Reporting Standards and the ESRS – European Sustainability Reporting Standards, the EU Taxonomy established under Regulation (EU) 2020/852, the commitments undertaken through the Paris Climate Conference (COP21), the European Green Deal and the EU Biodiversity Strategy to 2030. In addition, this includes the recommendations of the Task Force on Climate related Financial Disclosures (TCFD), the Integrated National Energy and Climate Plan (PNIEC), the principles of the GHG Protocol and the UN Principles for Responsible Investment (UN PRI).

Water is primarily withdrawn for hydroelectric and thermoelectric power generation, as well as for cooling thermal cycles. Water supply at the Group's facilities is sourced from surface water, groundwater, and municipal networks. Specifically, for hydroelectric power generation, water is primarily drawn from rivers and reservoirs, while respecting the guaranteed minimum environmental flow.

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

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

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68d, 68e]

[ESRS_E3, DR E3-1, DP 13,14]

[ESRS_E3, DR E3-2, DP 19]

For the assessment of areas subject to water stress, the Aqueduct Water Risk Atlas+ tool[18] of the World Resources Institute was taken as a reference. The analysis revealed that only two of the Magis Group's cogeneration plants, whose water consumption accounts for 3.5% of the Group's total usage, are located in a medium water stress area.

The activities carried out at these sites do not generate significant impacts on the availability of water resources, as they are photovoltaic plants characterised by limited water use. In addition, the design and construction of the plants have incorporated measures to safeguard water resources, in compliance with the applicable legislation.

It should also be noted that, at present, the Group has not adopted policies or practices specifically dedicated to the sustainable management of marine and ocean resources, as this topic is considered not relevant with respect to the scope of the company's activities.

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

These activities do not have a completion deadline, as they are ongoing activities integrated into the operational management of the plants.

2.3.2 Metrics and targets

[ESRS_2, MDR-T, DP 81a, 81b]

At present, the Group has not yet established specific measurable targets related to water resources. While the Group does not currently have formal quantitative targets in this area, it systematically monitors emissions to water, water abstraction, and wastewater discharges to ensure compliance with relevant regulations.

18 https://www.wri.org/aqueduct

[ESRS_E3, DR E3-4, DP,28e, AR 32]

The Group's monitored water consumption relates to production plants and the offices annexed to them. Consumption relating to the registered offices where the head offices are located is excluded, as it is not significant compared with the overall volume of withdrawals.

In the 2025 financial year, the Group's water withdrawals amounted to 5,453,803,363 m3, remaining substantially identical to those of the previous reporting period. Hydroelectric power generation accounts for 99.8% of the Group's total withdrawals: water abstracted for hydroelectric plants is not consumed but used in the production process and then released without alteration.

The total water discharge at 31 December 2025 corresponds to 5,453,764,793 m3.

[ESRS_E3, DR E3-4, DP 28a, 28b, 28c, 28d]

The water consumed for carrying out its activities amounts to 38,569.50 m3. The proportion of water consumption relative to the volume withdrawn is 0.001%, thanks to the good practices adopted by the Magis Group. During the 2025 financial year, the Group consumed 2,687.00 m3 of water in areas identified as experiencing medium water stress.

During 2025, the Group also did not store or reuse water resources.

[ESRS_E3, DR E3-4, DP 29]

Water intensity, calculated as the ratio between water consumption and net revenues, amounts to 0.02m3/ million €.

Table 30 – Water consumption (m3)

	U. M.	2025	2024
Total water consumption	Cubic metres	38.569,50	37.719,00
Other water risk areas	Cubic metres	2.687,00	1.316,00
High water stress areas	Cubic metres	0,00	0,00
Total volume of water stored	Cubic metres	0,00	0,00
Water intensity rate	m3/ million €	0,02	0,02

2.4. Biodiversity and ecosystems – ESRS E4

2.4.1 Impacts, risks and opportunities management

[ESRS_2, DR SBM-3, DP 16a, 16b, 16c]

[ESRS_2, DR IRO-1, DP 17a, 17b, 17c, 17d, 17e, 19a, 19b]

[ESRS_2, DR SBM-3, DP 48a]

[ESRS_E4, DR E4-5, DP 35]

The table below presents the impacts, risks, and opportunities concerning biodiversity and ecosystems that the Magis Group identified and evaluated as material through the Double Materiality Analysis (DMA) conducted in the previous year and updated in 2025, as outlined in section 1.4 Material Sustainability Topics.

As part of this initiative, the Magis Group adopted a structured stakeholder engagement approach that, over the course of 2025, promoted targeted meetings and workshops involving key opinion leaders and representatives of the Group's primary internal and external stakeholders. For further details, please refer to the section "1.3 Our commitment to stakeholders".

With specific reference to this topic, the Group identified the impacts, risks, and opportunities related to biodiversity and ecosystems, both in its own operations and in the upstream and downstream value chain. Using tools such as the Natura 2000 Viewer, the Group assessed the potential risks linked to biodiversity loss and ecosystem degradation, identifying the most vulnerable geographical areas and operational phases. This included assessing dependencies on ecosystem services and identifying ecosystem services that are disturbed or at risk of being disturbed.

Over the coming years, the Magis Group plans to complement the analysis described above with a site specific approach in order to consolidate the information already available and further strengthen the assessment of biodiversity dependencies.

The analysis carried out did not identify any material impacts related to desertification, soil sealing, land degradation, or threats to endangered species.

[ESRS_2, DR SBM-3, DP 48c]

Results of the impact materiality assessment

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

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe (S=Short M=Medium L=Long term)	Stage of the value chain		
					Upstream	Operations owned	Downstream
E4	Direct impact drivers on biodiversity loss	Local land use laws and community opposition (e.g. NIMBY and NIMTO phenomena) to the development of wind and solar plants, due to concerns about land use or other environmental impacts (e.g. local water resources, soil, air), may result in higher costs, lost revenues, or project delays.	Risk	S-M-L	✓	✓	☒
E4	Direct impact drivers on biodiversity loss	Risk of biodiversity loss due to intensive natural resource extraction, potentially leading to operational constraints and impacts on the continuity of supply to Magis.	Risk	S-M-L	✓	☒	☒

[ESRS_2, DR MDR-P, 65a, 65b, 65c, 65d, 65e, 65f]

[ESRS_E4, DR E4-2, DP 23a, 23b, 23c, 23d, 23e, 23f, 24a, 24b, 24c, 24d]

Aware that the activities carried out could potentially have impacts on ecosystems and biodiversity, the Magis Group is committed to safeguarding the natural value and biodiversity of the territories in which it operates and affected by the presence of its plants by implementing appropriate environmental safeguards and measures.

Through the Environmental Protection Policy[19] , the Group has established the principles and guidelines for environmental decision-making, including aspects related to the protection of biodiversity and ecosystems. In line with the Sustainable Development Goals, the European Green Deal and the EU Biodiversity Strategy to 2030, the Magis Group is committed to:

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

The analysis of the matters raised through the various channels of dialogue with stakeholders made it possible to collect and consolidate the expectations of the different stakeholder categories, with particular attention to the topic under consideration.

The Policy was adopted by the Parent Company's Board of Directors on the proposal of the Chief Executive Officer, who is responsible for drafting it and updating it periodically with the support of the Company's Finance & Control Department. The Policy was distributed to the subsidiaries and is therefore effective at Group level.

19 The Magis Group draws on a European and national regulatory framework for the implementation of its sustainability principles, including the United Nations Global Compact (UNGC), the Sustainable Development Goals (SDGs), the GRI Sustainability Reporting Standards and the ESRS – European Sustainability Reporting Standards, the EU Taxonomy under Regulation (EU) 2020/852, the commitments arising from the Paris Climate Conference (COP21), the European Green Deal and the EU Biodiversity Strategy to 2030. In addition, this includes the recommendations of the Task Force on Climate related Financial Disclosures (TCFD), the Integrated National Energy and Climate Plan (PNIEC), the principles of the GHG Protocol and the UN Principles for Responsible Investment (UN PRI).

Additional policies for the protection of biodiversity and ecosystems in the territories in which the Group operates, as well as policies relating to deforestation, will be adopted in the coming financial years, with consideration being given to the possible integration of these matters directly into Environmental Protection Policy.

[ESRS_E4, DR E4-3, DP 28b, 28c]

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68d, 68e]

While performing its activities, the Group adopts a business model that is attentive to sustainable and environmentally responsible behaviour. It pays particular attention to the flora and fauna of the places where it operates, undertaking to carry out its activities by taking into account the needs of the surrounding ecosystem and to promptly correct any negative impacts that may occur as part of its business activities. The actions implemented do not have a specific completion deadline, as they are activities integrated into the Group's operational management.

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

The assessment activity is carried out during the design and construction phases of the Group's wind farms, for which specific pre-operational monitoring activities have been conducted in order to assess environmental impacts and introduce mitigation measures. At present, this activity does not involve the adoption of biodiversity offset.

Among the Group's wind plants, the case of the wind farm in Rivoli Veronese (VR) is exemplary. It was installed in 2013 on a Site of Community Importance (SIC) and Special Protection Zone (ZPS) of particular landscape and naturalistic value. This wind farm is the only production site within the Group located in areas sensitive from a biodiversity perspective.

In collaboration with Legambiente (Baldo-Garda association "Il tasso"), the Parent Company was responsible for the restoration of the areas affected by earthworks (construction of the yards and access roads), carrying out the morphological recomposition of the land following construction activities and reconstituting the original turf on site. The protected species of the site were transferred and kept in another location during the construction works (Centre for forestry biodiversity of Peri - VR), in order to be replanted after the works. This measure made it possible to preserve rare species, even at risk of extinction.

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

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

When designing the photovoltaic plant in the municipality of Rea (PV), the Group paid special attention to respecting biodiversity. In the authorisation process to which the project was subjected (Single Authorisation – AU), biodiversity was assessed. In particular, the Governance and Biodiversity Operational Unit of the Province of Pavia, by protocol note no. 62027 of 29 October 2024, stated that it considered it unnecessary to initiate the appropriate assessment procedure. The project developed by the Magis Group includes openings within the fencing structures to enable the unrestricted movement of small and medium-sized ground-dwelling fauna. This design proposal, which provided for keeping the perimeter fence raised above ground level by a height of approximately 30 cm, was subject to a specific requirement in the text of the authorisation decision. Finally, with regard to the construction of the perimeter hedge provided for in the project, the Province of Pavia issued a specific requirement in this respect, set out in the AU decision: “the perimeter mitigation hedge must be created in accordance with the methods and characteristics indicated on pages 35-36 of Annex F to D.G.R.4488/2021 ‘Appropriate assessment screening form for the proponent’; the green mitigation project must refer to legislation intended to prevent the introduction and spread of invasive alien species (regulatory framework relating to Invasive Alien Species – IAS) and the planting must in any case prioritise native species that harmonise with the local vegetation context. “The planting of non-native species with a merely ornamental purpose should be avoided, particularly plant species included in the blacklist of invasive alien species of the Lombardy Region (Regional Government Resolution of 16 December 2019 – No. XI/2658); furthermore, all existing native tree, shrub, and herbaceous vegetation that does not constitute an actual obstacle to the execution of the works shall be preserved.” The requirements set out in the AU were carefully complied with and implemented by the Magis Group to protect the biodiversity of the area where the plant was built.

When designing the photovoltaic plant in the municipality of Campo San Martino (PD), the Group paid special attention to respecting biodiversity. In the authorisation process to which the project was subjected (Simplified Authorisation Procedure – PAS), biodiversity was assessed. In particular, the Brenta Basin Council, as part of the Vinca Procedure – Preliminary Assessment – Specific Screening (Level I), with reasoned opinion no. 1 of 08/10/*2025 – protocol no. 9202 of 08/10/2025, issued the following detailed requirements: “Construction of the perimeter fence with lightweight elements, leaving a perimeter passage no less than 20 cm in height above the ground for the free movement of wildlife”. The same authority also required the creation of a 3 m deep perimeter woodland strip. In this case too, the requirements set out in the AU were carefully complied with and implemented by the Magis Group to protect the biodiversity of the area where the plant was built.

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

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

2.4.2 Metrics and targets

[ESRS_2, MDR-T, DP 81b]

Although no quantitative targets have been identified at present, in carrying out its activities the Magis Group is continuously engaged in identifying and implementing actions aimed at protecting biodiversity and ecosystems through risk and impact prevention and minimisation, through the monitoring and impact mitigation systems described in the previous paragraph.

2.5. Circular economy – ESRS E5

2.5.1 Impacts, risks and opportunities management

[ESRS_2, DR SBM-3 DP 48a]

[ESRS_2, DR IRO-1, DP 11a]

The table below presents the impacts, risks, and opportunities concerning the circular economy that the Magis Group identified and evaluated as material through the Double Materiality Analysis (DMA) conducted and updated in 2025, as outlined in section 1.4 Material Sustainability Topics.

[ESRS_2, DR IRO-1, DP 11b]

As part of this initiative, the Magis Group adopted a structured stakeholder engagement approach that, over the course of 2025, promoted targeted meetings and workshops involving key opinion leaders and representatives of the Group's primary internal and external stakeholders. For further details, please refer to the section "1.3 Our commitment to stakeholders".

[ESRS_2, DR SBM-3, DP 48c]

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe (S=Short M=Medium L=Long term)	Stage of the value chain		
					Upstream	Operations owned	Downstream
E5	Resource inflows, including resour-ce use	Consumption of resources to support business activities, thereby contributing to environmental exploitation and resource depletion.	Current negative impact	S	✓	☒	☒
E5	Resource outflows related to products and services	The treatment of certain waste categories can enable the recovery of secondary raw materials, which may be used in new production processes, thereby reducing the need to extract virgin natural resources.	Current po-sitive impact	M-L	☒	☒	✓
	M-L	Gli impianti eolici e fotovoltaici, una volta dismessi, generano rifiuti che, se non gestiti responsabilmente, possono causare impatti ambientali negativi.	Impatto Negativo Potenziale	B-M-L	✓	✓	☒
E5	Waste	Wind and photovoltaic plants, once decommissioned, generate waste which, if not managed responsibly, can cause negative environmental impacts.	Potential negative impact	S-M-L			

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

[ESRS_E5, DR E5-1, DP 15a,15b]

[ESRS_2, MDR-P, DP 65a, 65b, 65c, 65d, 65e, 65f]

The Magis Group defines the principles and guidelines for environmental decision-making, including aspects related to proper resource management and the development of a circular economy, through the Environmental Protection Policy[20] , which defines strategies to mitigate impacts on the environment and the territories where the Group operates.

The analysis of the matters raised through the various channels of dialogue with stakeholders made it possible to collect and consolidate the expectations of the different stakeholder categories, with particular attention to the topic under consideration.

With regard to the circular economy, the Group pays particular attention to optimising the use of natural resources, with the aim of limiting waste and reducing waste generation in its own operating activities. To this end, where possible, it promotes the use of equipment and components characterised by high durability, recyclability and ease of dismantling and refurbishment, in order to limit the use of virgin materials.

The Policy was adopted by the Parent Company's Board of Directors on the proposal of the Chief Executive Officer, who is responsible for drafting it and updating it periodically with the support of the Company's Finance & Control Department.

To ensure its effective implementation, the Policy is distributed to all the Group's subsidiaries so that they may acknowledge and adopt it. Furthermore, in the interest of transparency and collaboration with stakeholders across the value chain, it is communicated to all stakeholders both through publication on the corporate website and through specific communications.

20 The Magis Group draws on a European and national regulatory framework for the implementation of its sustainability principles, including the United Nations Global Compact (UNGC), the Sustainable Development Goals (SDGs), the GRI Sustainability Reporting Standards and the ESRS – European Sustainability Reporting Standards, the EU Taxonomy under Regulation (EU) 2020/852, the commitments arising from the Paris Climate Conference (COP21), the European Green Deal and the EU Biodiversity Strategy to 2030. In addition, this includes the recommendations of the Task Force on Climate related Financial Disclosures (TCFD), the Integrated National Energy and Climate Plan (PNIEC), the principles of the GHG Protocol and the UN Principles for Responsible Investment (UN PRI).

[ESRS_E5, DR E5-2, DP 19]

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68d, 68e]

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

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

The classification of waste produced by the Magis Group is carried out by the Parent Company's Quality, Safety and Environment (QSA) function in agreement with the Waste Management Contact and included in the "Waste Classification" document approved by the competent Company Director or the Legal Representative, according to the elements that influence and determine the classification, i.e.:

- process from which the waste originates (e.g. construction and demolition, packaging, disposal of obsolete equipment);
- specific description of the waste (e.g. soil, plastic packaging, monitor);
- assessment of the hazardous nature of the waste through knowledge of the substances that may have contaminated it (product/safety data sheets) and/or chemical analysis and/or from bibliographical-legislative sources (e.g. waste oil, monitors, etc.) and/or laboratory report.

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

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

The actions described above do not have a completion deadline, as they are ongoing activities integrated into the Group's operational management.

2.5.2 Metrics and targets

[ESRS_2, MDR-T, DP 81b]

Given the nature of the services provided, the Group does not set specific internal quantitative targets for waste reduction, since the composition, separation and waste management methods depend on the public authorities on whose behalf the Group carries out waste collection and urban health services.

The Group's action therefore focuses on optimising operational processes, improving the efficiency of the services provided and continuously monitoring internal waste flows, managed through Operational Procedure PO.0120 "Management of Produced Waste", an integral part of the Environmental Management System compliant with UNI EN ISO 14001:2015.

[ESRS_E5, DR E5-4, DP 30]

During the reporting period, the Magis Group's main inbound resources consisted of purchased and resold energy resources. In particular, during the year, purchases of commodities (so-called sourcing) made by the Energy Management organisational unit concerned:

- electricity for 4.643 GWh, intended for sale to end customers and wholesale;
- 695 million standard cubic metres of gas, supplied both for sales to retail and wholesale customers and for the operational needs of the Group's power generation and cogeneration facilities.

Additionally, the various business units of Magis routinely purchase goods necessary for the execution of operational activities and both ordinary and extraordinary maintenance of the Group's owned assets. The cost of these goods is residual compared with the expenditure relating to energy resources, as reported in the Report on Operations (reference section 3.1 "Economic Performance") of this Financial Report.

Below are the main categories of products purchased by the Group:

- mtechnical materials and components, including but not limited to electrical materials, transformers, pipes, and cables, used in carrying out production activities;
- materials for works, installations and maintenance aimed at ordinary or extraordinary maintenance activities of the Group's assets;
- consumables for office and administrative operations.

During 2025, specific initiatives and project activities aimed at the development of corporate information systems and the revision of procurement processes continued. Once completed, these initiatives will make it possible to obtain comprehensive and accurate reporting on inbound resource flows relating to purchased physical goods, although such flows remain residual compared with the Group's overall operating costs.

For details regarding the inbound volumes of waste collected and treated, please refer to paragraph 1.2.6 "Environmental Services". For detailed information on water consumption, please refer to chapter no. 2.3 "Water and Marine Resources – ESRS E3".

[ESRS_E5, DR E5-5, DP 37a,37b,37c,37d,38a,38b,40]

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

During the 2025 financial year, the waste produced amounts to 45,723 tonnes, with a sharply rising trend (+44.0% compared to over 31.7 thousand tonnes in the previous year), mainly due to an increase in biomethane production activity at the Ca' del Bue plant in Verona and an increase in landfill leachate (which accounts for about 58.9% of the total waste produced during the reporting year).

The analysis of waste produced within the Group revealed that the overall waste generation consists of only 0.5% hazardous waste, including but not limited to, batteries, lamps, mineral oils, and electrical and electronic waste.

During the 2025 financial year, over 5 tonnes of waste were sent for recovery and recycling.

In general, through the policies and operational procedures adopted, the Magis Group ensures management activities compliant with the regulatory requirements of Legislative Decree No. 152/2006, guaranteeing traceability, safety, and oversight of responsibilities throughout the entire waste management cycle, both for waste generated by the Group itself and for waste managed on behalf of the contracting authorities.

Table 31 – Composition of waste produced by the Group

Types of waste	U.M.	2025	%
Iron	Tonnes	17	0,0%
Metal	Tonnes	224	0,5%
Plastic	Tonnes	38	0,1%
Glass	Tonnes	4	0,0%
Packaging	Tonnes	129	0,3%
Biodegradable and organic waste	Tonnes	3.824	8,3%
Cement	Tonnes	129	0,3%
Ash and slag	Tonnes	32	0,1%
Excavated soil	Tonnes	27	0,1%
Insulation materials	Tonnes	1	0,0%
Electrical and electronic waste	Tonnes	337	0,7%
Batteries and cells	Tonnes	10	0,0%
Solvents and acids	Tonnes	3.621	7,9%
Mineral oil	Tonnes	17	0,0%
Washing water	Tonnes	178	0,4%
Filters and rags	Tonnes	25	0,1%
Bulky waste	Tonnes	1	0,0%
Other	Tonnes	37.110	81,2%
Total waste generated (tonnes)	**Tonnes**	**45.723**	**100%**

Table 32 – Waste produced by the Group and treatment destination

	U.M.	2025	2024
Total waste generated (tonnes)	**Tonnes**	**45.723**	**31.749**
Hazardous waste	Tonnes	247	414
Non-hazardous waste	Tonnes	45.476	31.335
Radioactive waste	Tonnes	0	0
Waste diverted from disposal (tonnes)	**Tonnes**	**5.667**	**5.371**
Hazardous	Tonnes	165	407
Non-hazardous	Tonnes	5.502	4.964
Waste destined for disposal (tonnes)	**Tonnes**	**40.056**	**26.377**
Hazardous	Tonnes	83	7
Non-hazardous	Tonnes	39.974	26.370
Rate of non-recycled waste	**%**	**87,6%**	**83,1%**

2.6. European Taxonomy Disclosure

Starting from January 2022, organisations subject to the obligation to publish non-financial and sustainability reporting (initially in the form of the consolidated non-financial statement pursuant to Legislative Decree No. 254/2016 and subsequently in the form of consolidated sustainability reporting included in the Report on Operations accompanying the consolidated financial statements pursuant to Legislative Decree No. 125/2024) are required to publicly disclose the proportion of turnover, capital expenditure and operating expenditure that qualifies as environmentally sustainable under the applicable European legislation.

Regulation (EU) 2020/852 introduced into the European regulatory framework the Taxonomy for environmentally sustainable economic activities (the so-called EU Taxonomy), which provides for a classification of activities that may be considered sustainable based on their alignment with the environmental objectives defined by the European Union, with the ambitious aim of supporting EU economic activities in adopting a common sustainability language and promoting the decarbonisation of the European economy by 2050.

With regard to the three pillars of sustainability identified by the acronym "ESG" (Environmental, Social and Governance), the European Taxonomy initially focused its attention on environmental aspects, defining six environmental objectives against which eligibility must be assessed in accordance with the criteria established by the applicable legislation:

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

In accordance with Regulation (EU) 2020/852, the European Commission is required to adopt delegated acts supplementing the Regulation by detailing the technical screening criteria and the application of the Do No Significant Harm (DNSH) principle, which make it possible to assess under which conditions each economic activity provides a substantial contribution to at least one of the six identified environmental objectives.

An economic activity is defined as aligned if:

I. **contributes substantially to achieving at least one of the six environmental objectives;**

II. **does not cause significant damage to any of the remaining environmental objectives (Do No Significant Harm - DNSH);**

III. is carried out in compliance with the **Minimum safeguards** (based on international guidelines for the respect of human rights.

In 2021, the European Commission adopted Delegated Regulation (EU) 2021/2139 (the "Climate Delegated Act"), published in the Official Journal of the European Union on 9 December 2021 and applicable from 1 January 2022, which defines the technical screening criteria for the first two objectives (climate change mitigation and adaptation), subsequently supplemented on 15 July 2022 by the Complementary Delegated Act (Delegated Regulation (EU) 2022/1214), which includes gas- and nuclear-based energy generation within the Taxonomy.

Subsequently, on 27 June 2023, the European Commission adopted additional delegated acts, later published in the Official Journal of the European Union on 21 November 2023: (i) Delegated Regulation

(EU) 2023/3850 which, by amending the Climate Delegated Act, expands the scope of economic activities contributing to climate change mitigation and adaptation, as well as updating the technical screening criteria for existing economic activities; and (ii) Delegated Regulation (EU) 2023/3851 (Taxonomy Environmental Delegated Act), which establishes the technical screening criteria for determining the economic activities that contribute substantially to one or more of the remaining four environmental objectives not covered in the previous regulatory phase and provided for under Regulation (EU) 2020/852.

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

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

The **European Taxonomy** constitutes a **classification system** aimed at identifying economic activities that may qualify as environmentally sustainable, as well as a reference:

for **companies**, in order to assess their activities, define corporate policies with a view to environmental sustainability and report to stakeholders their performance in a complete and comparable manner;

for **investors,** in order to integrate sustainability issues into investment policies and enable a clear understanding of the environmental impact of economic activities in which they invest or could invest;

for **public institutions**, which can use the Taxonomy to define and improve their ecological transition policies.

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

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

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

- provide adequate and consistent indications to companies and investors with regard to which economic activities can be considered environmentally sustainable;

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

In February 2022, the Platform on Sustainable Finance, a group of experts that assists the European Commission in developing sustainable finance policies, presented the Final Report on Social Taxonomy with the aim of extending the concept of sustainable investment within the European Union. This proposal, oriented towards objectives of decent work, adequate living standards and inclusive and sustainable communities, has not yet, to date, been formally adopted.

In January 2026, at the end of a simplification process launched during 2025, the European Commission adopted Delegated Regulation (EU) 2026/73, which supplements and amends, among others, Delegated Regulation (EU) 2021/2178. The new Regulation introduces significant simplifications to the disclosure requirements laid down by the EU Taxonomy, as well as revisions to the methods for calculating KPIs, with the aim of reducing the administrative burden for European companies, while ensuring adequate levels of transparency and clarity in sustainability disclosures.

Delegated Regulation (EU) 2026/73, applicable from 1 January 2026, allows non-financial undertakings to determine the reporting approach to be adopted with reference to the 2025 financial year, providing for three alternative options:

- use of the templates and rules already applied for reporting for the 2024 financial year;
- adoption of the new reporting approach set out in Delegated Regulation (EU) 2021/2178, as amended by Delegated Regulation (EU) 2026/73;
- non-reporting of the Taxonomy KPIs, accompanied by the inclusion of a specific statement within the Report on Operations..

With reference to the reporting relating to the 2025 financial year, the Magis Group elected not to adopt the new reporting methods introduced by Delegated Regulation (EU) 2026/73 and therefore applied the templates and rules previously adopted for the 2024 financial year, in accordance with the first option provided for under the legislation.

2.6.1 Implementation process

In accordance with Regulation (EU) 2020/852 and the related delegated acts, the Magis Group carried out an analysis of its activities in order to identify those attributable to the environmental objectives of the EU Taxonomy currently relevant to the Group. Based on this analysis, the economic activities potentially eligible under the Taxonomy were identified within the environmental objectives governed by the Regulation itself, in particular with reference to climate change mitigation and the sustainable use and protection of water and marine resources.

During the 2025 financial year, the Magis Group continued the cross-functional project involving all key departments of the Parent Company and the companies included within the scope of consolidated sustainability reporting. The aim was to identify, with reference to the aforementioned Taxonomy objectives, the Group's activities as eligible and aligned, eligible but not aligned, or non-eligible. In addition, to ensure an adequate process for the extraction, analysis, processing and aggregation of administrative and accounting data, specific software tools currently used by the Finance & Control Department have been developed and/or integrated.

Attività ammissibili
Aligned eligible activities: activities carried out by the Magis Group explicitly included in the Delegated Acts that meet the technical screening criteria and/or the minimum safeguards.
Non-aligned eligible activities: activities carried out by the Magis Group explicitly included in the Delegated Acts that do not meet the technical screening criteria and/or the minimum safeguards.

Non-eligible Activities
Non-eligible activities: activities carried out by the Magis Group not explicitly included in the Delegated Acts.

The analysis was carried out according to the following steps:

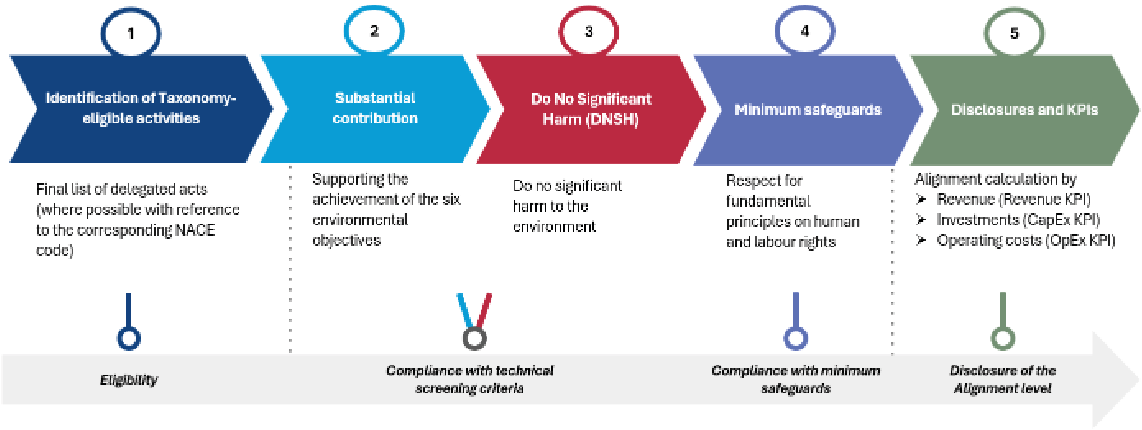

Figure 22 – Economic activities analysis process

1. Identifying eligible activities

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

2. Substantial contribution

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

3. Do No Significant Harm (DNSH)

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

What does DNSH mean?

The DNSH (Do No Significant Harm) principle requires that an economic activity, in order to qualify as environmentally sustainable under the EU Taxonomy, does not cause significant harm to any environmental objectives other than the one to which it makes a substantial contribution. Compliance with this principle is verified on the basis of the criteria set by the European Commission for individual economic activities in the related delegated acts.

4. Minimum safeguards

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

5. Disclosures and KPIs

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

Verifying compliance with the minimum safeguards

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

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

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

2.6.2 Our Commitment to the European Taxonomy

The analysis carried out during the 2025 financial year enabled the redefinition and consequent expansion of the number of eligible activities attributable to the inclusion of the four environmental objectives introduced with the Taxonomy Environmental Delegated Act EU 2023/3851. The table below lists the Group's environmentally sustainable activities together with the corresponding Business Unit.

Table 33 – Eligible environmentally sustainable activities

#	ELIGIBLE ENVIRONMENTALLY SUSTAINABLE ACTIVITIES	BUSINESS UNIT
CLIMATE CHANGE MITIGATION		
3.10	**Hydrogen Production,** which consists of producing hydrogen and hydrogen-based synthetic fuels.	**Power**
4.1	**Electricity generation using solar photovoltaic technology,** which consists in building and operating photovoltaic panels to develop green and sustainable electricity from renewable sources.	**Power**
4.3	**Electricity generation from wind power,** which consists in building and operating plants for the production of electricity from wind power, sustainable and renewable energy for significant environmental benefits.	**Power**
4.5	**Electricity generation from hydropower,** which consists in building and operating plants using a renewable and sustainable energy source.	**Power**
4.9	**Transmission and distribution of electricity,** which consists in building and operating networks to transport electricity throughout the territory via low, medium, high and extra-high voltage systems.	**Networks**
4.15	**District heating distribution** involving the construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger.	**Heat**
4.29	**Electricity generation from fossil gaseous fuels,** which consists in constructing or operating plants to generate electricity using fossil gaseous fuels.	**Power**
4.30	**High-efficiency cogeneration of heat/cold and electricity from gaseous fossil fuels** consisting of the construction, redevelopment and management of combined heat/cold and electricity generation plants using gaseous fossil fuels.	**Heat**
5.5	**Collection and transport of non-hazardous waste sorted at source,** which involves the sorted waste collection and transport of non-hazardous waste in single or mixed fractions intended for preparation for reuse or recycling.	**Environment**
5.7	**Anaerobic digestion of organic waste** which consists of the construction and management of dedicated plants for the treatment of separately collected organic waste through anaerobic digestion, resulting in the production and use of biogas and digestate and/or chemical products.	**Environment**
5.9	**Material recovery from non-hazardous waste,** which consists in building and operating plants for sorting and processing separately collected non-hazardous waste streams into secondary raw materials involving a mechanical transformation process, except for backfilling purposes.	**Environment**
6.15	**Infrastructure enabling road transport and low-carbon public transport,** consisting of the construction, upgrading, maintenance, and management of infrastructures required for zero CO2 emissions from road transport exhausts, as well as transshipment facilities and infrastructure necessary for urban transport management.	**Smart**
7.3	**Installation, maintenance and repair of energy efficiency devices** carried out by the Business Unit Smart through upgrades involving new installations, maintenance and repair of public lighting devices with the virtuous aim of increasing energy efficiency.	**Smart**
8.1	**Data processing, hosting and related activities** carried out through the storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.	**Smart**

#	ELIGIBLE ENVIRONMENTALLY SUSTAINABLE ACTIVITIES	BUSINESS UNIT
	SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES	
2.1	**Water supply** activities consisting in the construction, expansion, operation, and renewal of systems for the collection, treatment, and supply of water intended for human consumption, based on the extraction of natural resources from surface or groundwater sources.	**Corporate**
2.2	**Urban wastewater treatment** that consists of the construction, expansion, modernisation, management and renewal of urban wastewater infrastructure, including treatment plants, sewage networks, stormwater management facilities, connections to wastewater infrastructure, decentralised wastewater treatment plants, including individual and other appropriate systems, and discharge facilities for treated sewage.	**Corporate**

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

In general, the values reported in the following paragraph relating to revenue, direct operating costs, and increases in overall tangible and intangible assets are consistent with the data presented in the current Magis Group Annual Financial Report for the 2025 financial year.

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

2.6.3 Results of the Group's Eco-Sustainable Activities

The indicators that represent the results achieved by the Magis Group in 2025 relating to the share of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to eligible, aligned and non-eligible activities for the European Taxonomy are shown below.

KPI – Turnover

The analysis of turnover for the 2025 financial year identified total revenues of Euro 801.8 million, including both Taxonomy-eligible and non-eligible activities; of this amount, 28.7%, corresponding to Euro 229.9 million, was considered eligible under the European Taxonomy regulation for sustainable activities. The remaining Euro 571.8 million, amounting to 71.3%, is made up of non-eligible revenue from economic activities that are currently outside the scope of EU Regulation 2020/852.

Revenue from sales and services relating to eligible business activities and aligned with the climate change mitigation objective amount to approximately Euro 214.6 million, equal to about 26.8% of the share of Taxonomy-eligible activities.

Table 34 – Revenue generated from eligible and non-eligible activities

REVENUE FROM SALES AND SERVICES (Turnover)	€/000	% of the total (A+B)	% of the activities Eligible
A.1. Environmentally sustainable activities (aligned with the taxonomy)	214.642	26,8%	93,4%
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)	15.288	1,9%	6,6%
A. TAXONOMY-ELIGIBLE ACTIVITIES	**229.930**	**28,7%**	**100,0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES	571.855	71,3%	
Totale (A + B)	**801.785**	**100,0%**	

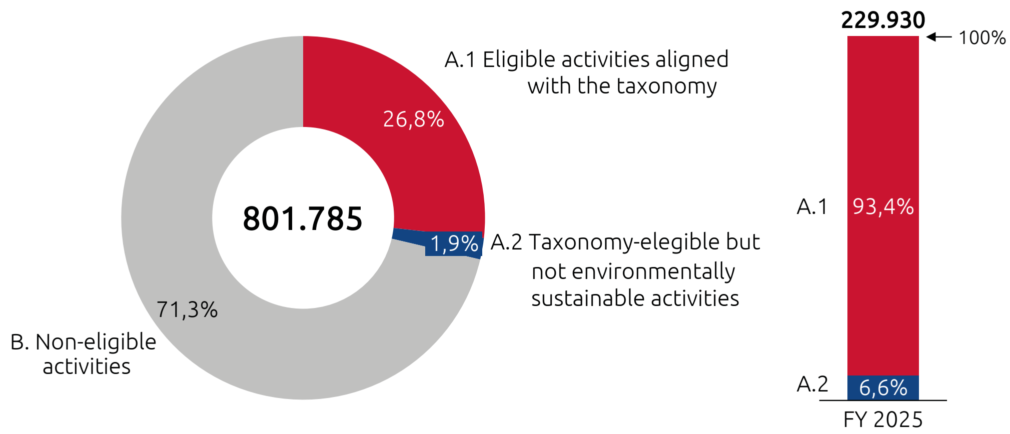

Figure 23 – Distribution of turnover by eligible activities (aligned and not) and non-eligible activities

Table 35 – Proportion of revenue

	Taxonomy Alignment by objective	Taxonomy Eligibility by objective
CCM	26,77%	28,06%
CCA	0,00%	0,00%
WTR	0,00%	0,62%
PPC	0,00%	0,00%
CE	0,00%	0,00%
BIO	0,00%	0,00%

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

- waste collection activities (5.5) managed within the Environment Business Unit recorded an increase in revenues:
    - by approximately Euro 3.8 million, driven by revised tariffs for waste collection and management services in the municipalities of Verona, Vicenza, and other municipalities across the related provinces;

- by approximately Euro 2.9 million following the adjustment of the fees recognised to the subsidiary Eco Tirana for waste management services in the Municipality of Tirana, previously limited to the historic centre and subsequently extended to the remainder of the city (an extension already partially initiated during the previous 2024 financial year);
- the electricity distribution management activities (4.9) recorded an increase attributable to higher 2025 revenue recognised under the new TIROSS tariff method and the TIROSS 2024 adjustment;
- during 2025, the energy market was characterised by the gradual downward stabilisation of energy prices (both electricity and gas); the variation compared with the previous financial year in the revenues recorded and considered relevant for the purposes of reporting under the European Taxonomy for environmentally sustainable activities is substantially attributable to the combined effect of changes in energy prices and production volumes, broken down by the various generation sources – solar photovoltaic (4.1), wind (4.3) and hydroelectric (4.5).

Operating Expenses (OPEX)

The analysis of operating expenditure (e.g. costs for services, leases and rentals, operating expenses, etc.) relating to the 2025 financial year identified total operating costs of Euro 588.6 million, including both Taxonomy-eligible and non-eligible activities; of this amount, 16.7%, corresponding to Euro 98.0 million, was considered eligible under the European Taxonomy regulation for sustainable activities. Euro 490.6 million, amounting to 83.4%, is made up of non-eligible costs from economic activities that are currently outside the scope of EU Regulation 2020/852. Operating costs relating to eligible business activities and aligned with the climate change mitigation objective amount to approximately Euro 91.0 million, equal to about 15.5% of the share of taxonomy-eligible activities.

Table 36 – Operating expenditure from eligible and non-eligible activities

OPERATING COSTS (OPEX)	€/000	% of the total (A+B)	% of the activities eligible
A.1. Environmentally sustainable activities (aligned with the taxonomy)	91.064	15,5%	92,9%
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)	6.935	1,2%	7,1%
A. TAXONOMY-ELIGIBLE ACTIVITIES	**97.999**	**16,7%**	**100,0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES	490.574	83,4%	
Totale (A + B)	**588.574**	**100,0%**	

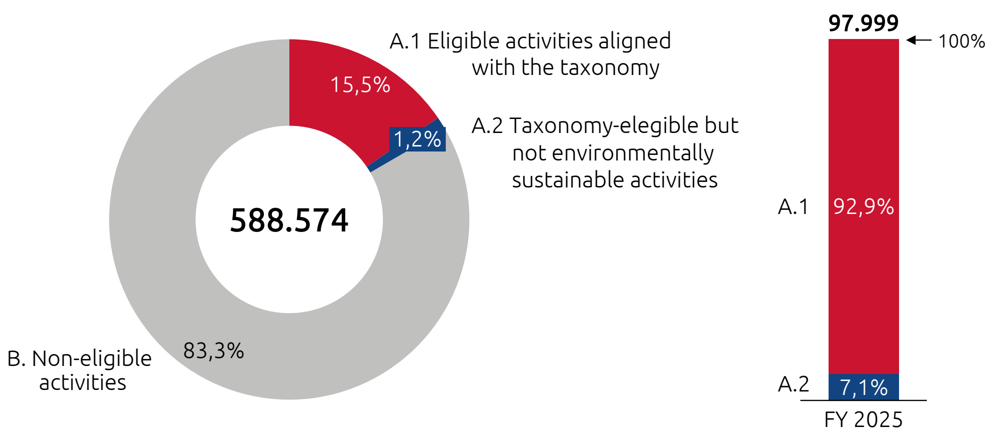

Figure 24 – Distribution of operating expenditure by eligible activities (aligned and not) and non-eligible activities

Table 37 – Proportion of operating expenditure

	Taxonomy Alignment by objective	Taxonomy Eligibility by objective
CCM	15,47%	16,62%
CCA	0,0%	0,0%
WTR	0,0%	0,03%
PPC	0,0%	0,0%
CE	0,0%	0,0%
BIO	0,0%	0,0%

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

- waste collection activities (5.5) managed within the Environment BU recorded an increase in operating costs of approximately Euro 1.2 million, due to higher waste disposal and transport costs (including landfill leachate);
- within the Power Business Unit, electricity generation activities using solar photovoltaic technology (4.1), wind power (4.3) and hydropower (4.5), as well as generation from fossil gaseous fuels (4.29) at the Mincio thermoelectric power plant, recorded limited changes compared to the previous year, mainly attributable to the different management of scheduled and completed operational maintenance activities, as well as to the costs for charged rights and usage fees that include certain variable components;
- the electricity distribution management activities (4.9) recorded an increase in operating costs attributable to the application of the new TIROSS tariff method.

KPI – Capital Expenditure (CAPEX)

The analysis of capital expenditure relating to intangible and tangible non-current assets for the 2025 financial year identified total investments of Euro 196.1 million, including both Taxonomy-eligible and non-eligible activities; of this amount, 73.9%, corresponding to Euro 144.9 million, was considered eligible under the European Taxonomy regulation for sustainable activities. The remaining Euro 51.3 million, amounting to 26.1%, is made up of non-eligible costs from economic activities that are currently outside the scope of EU Regulation 2020/852.

Capital expenditure relating to eligible business activities and aligned with the climate change mitigation objective amount to approximately Euro 129.0 million, equal to about 65.7% of the share of taxonomy-eligible activities.

Table 38 – Capital expenditure from eligible and non-eligible activities

CAPITAL EXPENDITURE (CAPEX)	€/000	% of the total (A+B)	% of the activities eligible
A.1. Environmentally sustainable activities (aligned with the taxonomy)	129.009	65,7%	92,9%
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)	15.861	8,1%	7,1%
A. TAXONOMY-ELIGIBLE ACTIVITIES	**144.870**	**73,9%**	**100,0%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES	51.256	26,1%	
Total (A + B)	**196.126**	**100,0%**	

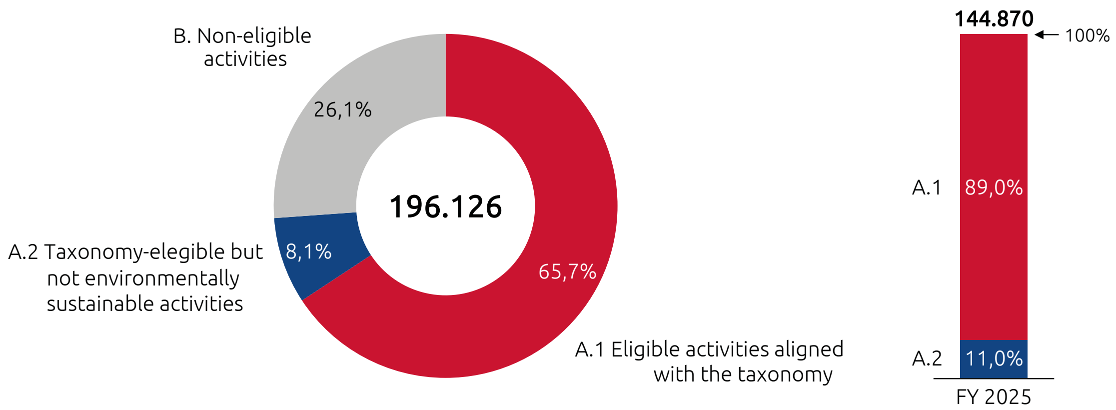

Figure 25 – Distribution of capital expenditure by eligible activities (aligned and not) and non-eligible activities

Table 39 – Proportion of capital expenditure

	Taxonomy Alignment by objective	Taxonomy Eligibility by objective
CCM	65,78%	73,87%
CCA	0,0%	0,0%
WTR	0,0%	0,0%
PPC	0,0%	0,0%
CE	0,0%	0,0%
BIO	0,0%	0,0%

With reference to the capital expenditures relevant to the eligible (A.1 and A.2) and non-eligible (B) activities under the EU Taxonomy criteria, there are investments increasing by 44.5% compared to the previous year, mainly due to the Group's commitment to implementing the projects indicated in its Business Plan 2025-2030, in particular:

- waste collection activities (5.5) managed within the Environment BU recorded an increase in investment costs of approximately Euro 14.0 million, relating to the purchase of the vehicles used for the waste collection and transport service (effect of the IFRS reclassification of the value of the signed leasing contracts);
- within the Heat BU, cogeneration activities for heat and electricity (4.30) and the management of the district heating network (4.15) were affected by revamping investments (boilers and cogeneration engines) and by network expansion in the cities of Verona and Vicenza aimed at enabling new buildings to be connected to the network;
- the activities for managing the electricity distribution network (4.9), which fall under the responsibility of the Distribution BU, were affected by various investments including:
    - the improvement of the network and remote-control systems (approx. Euro 5.4 million);
    - the acquisition of a new operational site in Vicenza (approx. Euro 3.0 million);
    - the enhancement of the high, medium and low-voltage networks and the construction/renewal of certain primary substations (approx. Euro 22.2 million);
    - the replacement and installation of the new 2G meters (approx. Euro 1.3 million;

- within the Generation Business Unit, electricity generation activities through solar and photovoltaic technology (4.1) and wind energy (4.3) were affected by various investments, including:
  - the completion of the Trissino (VI) photovoltaic plant, with a further investment of approximately Euro 4.5 million;
  - the purchase of the entire share capital investment in Sirio S.r.l. and Vega S.r.l. and their respective photovoltaic plants, for an investment of approximately Euro 12.7 million, relevant for reporting on the European Taxonomy of environmentally sustainable activities;
  - the purchase of the entire share capital investment in Delsis S.r.l., Manfredonia S.r.l. and Carapelle S.r.l. and their respective wind farms, for an investment of approximately Euro 31.1 million, relevant for reporting on the European Taxonomy of environmentally sustainable activities;
  - the continuation of development activities for new wind farms to be built internally within the Group;

- the project activities aimed at constructing the sustainable hydrogen production plant (3.10) at the Marghera plant are almost completely finished (approx. Euro 4.6 million).

2.6.4 Key performance indicators (KPIs) pursuant to the European Taxonomy

Models for key performance indicators (KPIs)

Key for interpreting the models of key performance indicators (KPIs)

Activity code: contains the number corresponding to the eco-sustainable activity and the abbreviation of the objective to which the economic activity can make a substantial contribution.

CCM	Climate change mitigation
CCA	Climate change adaptation
WTR	Water and marine resources
CE	Circular economy
PPC	Prevention and mitigation of pollution
BIO	Biodiversity and ecosystems

Criteria for substantial contribution

Y	The activity is taxonomy-eligible and aligned with the taxonomy concerning the relevant environmental objective
N	The activity is taxonomy-eligible but not aligned with the taxonomy concerning the relevant environmental objective
EL	The activity is taxonomy-eligible for the relevant objective
N/EL	The activity is taxonomy-non-eligible for the relevant objective

DNSH Criteria ("Do No Significant Harm").

Y	DNSH criteria are met for the activity in question
N	DNSH criteria are not met for the activity in question

Minimum safeguard criteria

Y	The minimum safeguard criteria are met for the activity in question
N	The minimum safeguard criteria are not met for the activity in question

Activity Category

E	Enabling activities directly allow other activities to make a substantial contribution to an environmental objective.
T	Transition activities are those for which no low-carbon alternatives currently exist and which have greenhouse gas emissions levels corresponding to the best performance in the sector or industry, as well as meeting the following two conditions: i. do not hinder the development and deployment of low-carbon alternatives; and ii. do not lead to a lock-in of carbon-intensive assets, considering the economic lifetime of those assets.

Table 40 – Share of Turnover derived from products or services associated with Taxonomy-aligned economic activities

				Criteria for substantial contribution					
Economic activities	**Code activities**	**Revenue**	**Share of Revenue**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**
		Thousands of Euro	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL
Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (aligned with the taxonomy)									
Generation of electricity using solar photovoltaic technology	4.1 CCM	7.866	1,0%	Y	N	N/EL	N/EL	N/EL	N/EL
Generation of electricity from wind power	4.3 CCM	4.154	0,5%	Y	N	N/EL	N/EL	N/EL	N/EL
Generation of electricity from hydropower	4.5 CCM	9.391	1,2%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	4.9 CCM	64.776	8,1%	Y	N	N/EL	N/EL	N/EL	N/EL
Collection and transport of non-hazardous waste sorted at source	5.5 CCM	78.675	9,8%	Y	N	N/EL	N/EL	N/EL	N/EL
Recovery of materials from non-hazardous waste	5.9 CCM	46.612	5,8%	Y	N	N/EL	N/EL	N/EL	N/EL
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	3.169	0,4%	Y	N	N/EL	N/EL	N/EL	N/EL
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)		**214.642**	**26,8%**	**26,8%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**
Of which enabling		**67.945**	**8,5%**	**8,5%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**
Of which transitional		**-**	**0,0%**	**0,0%**					
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)									
Water supply	2.1 WTR	3.005	0.4%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Urban wastewater treatment	2.2 WTR	1.935	0.2%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Generation of electricity from hydropower	4.5 CCM	7	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
District heating/cooling distribution	4.15 CCM	536	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	4.29 CCM	712	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	4.30 CCM	2.167	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency devices	7.3 CCM	3.934	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	8.1 CCM	2.992	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Turnover from taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)		**15.288**	**1,9%**	**1,3%**	**0,0%**	**0,6%**	**0,0%**	**0,0%**	**0,0%**
Turnover from taxonomy-eligible activities (A.1 + A.2)		**229.930**	**28,7%**	**28,1%**	**0,0%**	**0,6%**	**0,0%**	**0,0%**	**0,0%**
B. Taxonomy-non-eligible activities									
Turnover from non-taxonomy-eligible activities (B)		**571.855**	**71,3%**						
Total (A + B)		**801.785**	**100,0%**						

DNSH criteria ("Do No Significant Harm"):									
Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Revenue share aligned (A.1.) or eligible (A.2.) to taxonomy, FY 2024	Category activities enabling	Category activities of transition
S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	A	T
Y	Y	Y	Y	Y	Y	Y	1,0%	-	-
Y	Y	Y	Y	Y	Y	Y	0,4%	-	-
Y	Y	Y	Y	Y	Y	Y	0,3%	-	-
Y	Y	Y	Y	Y	Y	Y	8,0%	A	-
Y	Y	Y	Y	Y	Y	Y	9,4%	-	-
Y	Y	Y	Y	Y	Y	Y	6,2%	-	-
Y	Y	Y	Y	Y	Y	Y	0,1%	A	-
							25,4%		
							0,4%		
							0,3%		
							-		
							0,1%		
							0,2%		
							0,3%		
							0,0%		
							0,4%		
							-		

Table 41 – Share of Operating Expenditure (Opex) derived from products or services associated with Taxonomy-aligned economic activities

				Criteria for substantial contribution					
Economic activities	**Activity code**	**Operating costs**	**Share of operating costs**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**
		Thousands of Euro	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL
Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (aligned with the taxonomy)									
Generation of electricity using solar photovoltaic technology	4.1 CCM	248	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Generation of electricity from wind power	4.3 CCM	3.014	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL
Generation of electricity from hydropower	4.5 CCM	3.084	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	4.9 CCM	36.425	6.2%	Y	N	N/EL	N/EL	N/EL	N/EL
Collection and transport of non-hazardous waste sorted at source	5.5 CCM	28.740	4.9%	Y	N	N/EL	N/EL	N/EL	N/EL
Anaerobic digestion of organic waste	5.7 CCM	13	0.0%	Y	N	N/EL	N/EL	N/EL	N/EL
Recovery of materials from non-hazardous waste	5.9 CCM	18.300	3.1%	Y	N	N/EL	N/EL	N/EL	N/EL
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	1.240	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Operating costs of eco-sustainable activities (aligned with taxonomy) (A.1)		**91.064**	**15.5%**	**15.5%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Of which enabling		**37.665**	**6.4%**	**6.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Of which transitional		**-**	**0.0%**	**0.0%**					
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)									
Water supply	2.1 WTR	187	0,0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL
Generation of electricity from hydropower	4.5 CCM	1.373	0,2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
District heating/cooling distribution	4.15 CCM	1.033	0,2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	4.29 CCM	1.231	0,2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	4.30 CCM	896	0,2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency devices	7.3 CCM	1.733	0,3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	8.1 CCM	482	0,1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Operating costs of taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)		**6.935**	**1,2%**	**1,2%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**
Operating costs of taxonomy-eligible activities (A.1 + A.2)		**97.999**	**16,6%**	**16,6%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**
B. Taxonomy-non-eligible activities									
Operating costs of non-taxonomy-eligible activities (B)		**490.575**	**83,4%**						
Total (A + B)		**588.574**	**100,0%**						

DNSH criteria ("Do No Significant Harm"):									
Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Revenue share aligned (A.1.) or eligible (A.2.) to taxonomy, FY 2024	Category activities enabling	Category activities of transition
S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	E	T
Y	Y	Y	Y	Y	Y	Y	0,1%	-	-
Y	Y	Y	Y	Y	Y	Y	0,5%	-	-
Y	Y	Y	Y	Y	Y	Y	0,3%	-	-
Y	Y	Y	Y	Y	Y	Y	5,3%	A	-
Y	Y	Y	Y	Y	Y	Y	4,5%	-	-
Y	Y	Y	Y	Y	Y	Y	0,0%	-	-
Y	Y	Y	Y	Y	Y	Y	2,8%	-	-
Y	Y	Y	Y	Y	Y	Y	0,0%	A	-
							13,6%		
							0,0%		
							0,2%		
							0,1%		
							0,2%		
							0,2%		
							-		
							0,1%		

Table 42 – Share of Capital Expenditure (Capex) derived from products or services associated with Taxonomy-aligned economic activities

Economic activities	Activity code	Capital expenditures	Share of capital expenditure	Criteria for substantial contribution: Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems
		Thousands of Euro	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL
Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (aligned with the taxonomy)									
Hydrogen production	3.10 CCM	4.649	2,4%	Y	N	N/EL	N/EL	N/EL	N/EL
Generation of electricity using solar photovoltaic technology	4.1 CCM	19.213	9,8%	Y	N	N/EL	N/EL	N/EL	N/EL
Generation of electricity from wind power	4.3 CCM	39.868	20,3%	Y	N	N/EL	N/EL	N/EL	N/EL
Generation of electricity from hydropower	4.5 CCM	507	0,3%	Y	N	N/EL	N/EL	N/EL	N/EL
Transmission and distribution of electricity	4.9 CCM	38.190	19,5%	Y	N	N/EL	N/EL	N/EL	N/EL
Collection and transport of non-hazardous waste sorted at source	5.5 CCM	21.943	11,2%	Y	N	N/EL	N/EL	N/EL	N/EL
Recovery of materials from non-hazardous waste	5.9 CCM	3.084	1,6%	Y	N	N/EL	N/EL	N/EL	N/EL
Infrastructure enabling low-carbon road transport and public transport	6.15 CCM	1.554	0,8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
Operating costs of eco-sustainable activities (aligned with taxonomy) (A.1)		**129.009**	**65,8%**	**65,8%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**
Of which enabling		**39.744**	**20,3%**	**20,3%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**
Of which transitional		**-**	**0,0%**	**0,0%**					
A.2. Taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities)									
Generation of electricity from hydropower	4.5 CCM	576	0,3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
District heating/cooling distribution	4.15 CCM	4.109	2,1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Electricity generation from fossil gaseous fuels	4.29 CCM	681	0,4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	4.30 CCM	8.331	4,3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency devices	7.3 CCM	158	0,1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Data processing, hosting and related activities	8.1 CCM	2.006	1,0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Capital expenditures of taxonomy-eligible but not environmentally sustainable activities (Taxonomy non-aligned activities) (A.2)		**15.861**	**8,1%**	**8,1%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**
Capital expenditures of taxonomy-eligible activities (A.1 + A.2)		**144.870**	**73,9%**	**73,95%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**	**0,0%**
B. Taxonomy-non-eligible activities									
Capital expenditures of non-taxonomy-eligible activities (B)		**51.256**	**26,1%**						
Total (A + B)		**196.126**	**100,0%**						

DNSH criteria ("Do No Significant Harm"):									
Climate change mitigation	**Climate change adaptation**	**Water and marine resources**	**Pollution**	**Circular economy**	**Biodiversity and ecosystems**	**Minimum safeguards**	**Revenue share aligned (A.1.) or eligible (A.2.) to taxonomy, FY 2024**	**Category activities enabling**	**Category activities of transition**
S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	E	T
N	N	N	N	N	N	N	-		
Y	Y	Y	Y	Y	Y	Y	7,3%	-	-
Y	Y	Y	Y	Y	Y	Y	3,6%	-	-
Y	Y	Y	Y	Y	Y	Y	0,1%	-	-
Y	Y	Y	Y	Y	Y	Y	31,6%	A	-
Y	Y	Y	Y	Y	Y	Y	9,93%	-	-
Y	Y	Y	Y	Y	Y	Y	4,5%	-	-
Y	Y	Y	Y	Y	Y	Y	0,6%	A	-
							59,8%		
							0,4%		
							1,2%		
							0,4%		
							6,8%		
							0,2%		
							1,0%		

Learn more about electricity production from nuclear and gas activities

Table 43 – Nuclear energy-related activities

NUCLEAR ENERGY RELATED ACTIVITIES		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**NO**
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**NO**
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**NO**

Table 44 – Fossil gas related activities

FOSSIL GAS RELATED ACTIVITIES		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**YES**
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**YES**
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**YES**

The Power and Heat Business Units are directly involved in the management, redevelopment and energy efficiency of plants for the production of electricity from gaseous fossil fuels, also in cogeneration, and heat for district heating in the cities of Verona and Vicenza.

Table 45 – Economic activities related to nuclear and fossil gas that are eligible but not aligned with the taxonomy

	Economic activities	Amount and share					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Value (€/000)	%	Value (€/000)	%	Value (€/000)	%
Revenue							
(…)							
4	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.29 of appendices I and II of delegated regulation (EU) 2021/2139 to the revenue denominator	712	4,6%	712	4,7%	-	-
5	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.30 of appendices I and II of delegated regulation (EU) 2021/2139 to the revenue denominator	2.167	14,2%	2.167	14,2%	-	-
(…)							
8	Amount and share of other eligible economic activities but not aligned with the taxonomy not included in lines 1 to 6 to the revenue denominator	12.409	81,2%	12.409	81,2%	-	-
9	Total amount and share of eligible economic activities but not aligned with the taxonomy to the revenue denominator	15.288	100,0%	15.288	100,0%	-	-
CapEx							
(…)							
4	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.29 of appendices I and II of delegated regulation (EU) 2021/2139 to the CapEx denominator	681	4,3%	681	4,3%	-	-
5	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.30 of appendices I and II of delegated regulation (EU) 2021/2139 to the CapEx denominator	8.331	52,5%	8.331	52,5%	-	-
(…)							
8	Amount and share of other eligible economic activities but not aligned with the taxonomy not included in lines 1 to 6 to the CapEx denominator	6.849	43,2%	6.849	43,2%	-	-
9	Total amount and share of eligible economic activities but not aligned with the taxonomy to the CapEx denominator	15.861	100,0%	15.861	100,0%	-	-

Opex

	Economic activities	Amount and share					
		CCM + CCA		Climate change mitigation (CCM)		Climate change mitigation (CCM)	
		Value (€/000)	%	Value (€/000)	%	Value (€/000)	%
(…)							
4	Amount and share of eligible economic activity but not aligned with the taxonomy referred to in section 4.29 of appendices I and II of delegated regulation (EU) 2021/2139 to the OpEx denominator	1.231	17,8%	1.231	17,8%	-	-
5	Amount and share of eligible economic activity but not aligned with taxonomy referred to in section 4.30 of appendices I and II of delegated regulation (EU) 2021/2139 to the OpEx denominator	896	12,9%	896	12,9%	-	-
(…)							
8	Amount and share of other eligible economic activities but not aligned with the taxonomy not included in lines 1 to 6 to the OpEx denominator	4.808	69,3%	4.808	69,3%	-	-
9	Total amount and share of eligible economic activities but not aligned with the taxonomy to the OpEx denominator	6.935	100,0%	6.935	100,0%	-	-

3. Social information

3.1. Own workforce – ESRS S1

3.1.1 Strategy

[ESRS_2, DR SBM-3, DP 13a, 13b, 14a, 14b, 14c, 14d, 15, 16]

[ESRS_ 2, DR SBM-3, DP 48a]

The following table presents the impacts, risks, and opportunities concerning the Group's own workforce identified and evaluated as material through the Double Materiality Analysis (DMA) conducted and updated in 2025, as outlined in section 1.4 Material Sustainability Topics.

As part of this initiative, the Magis Group adopted a structured stakeholder engagement approach that, over the course of 2025, promoted targeted meetings and workshops involving key opinion leaders and representatives of the Group's primary internal and external stakeholders. For further details, please refer to the section "1.3 Our commitment to stakeholders".

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S1	Adequate wages	Failure to comply with fair wage conditions constitutes a violation of workers' rights regulations and causes difficulties and hardship for the workforce. This can lead to financial insecurity, reduced motivation and productivity, as well as an increase in staff turnover.	Potential negative impact	M-L	☒	✓	☒
S1	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Potential interference in the election of union representatives and the establishment of representative bodies.	Potential negative impact	S	☒	✓	☒
S1	Health and safety	Injuries and illnesses caused by the failure to promote a healthy and safe working environment for company staff and third parties working with the Magis Group, with consequent impact on the national health service and regulatory bodies.	Potential negative impact	S-M-L	☒	✓	☒
S1	Health and safety	The operation and maintenance services (so-called O&M) of wind farms, which include installation, maintenance, monitoring, and repair of turbine installations, are subject to high safety standards due to the inherent risks of the work (such as working at height); this presents a potential negative impact on employee and environmental safety.	Potential negative impact	S-M	☒	✓	☒
S1	Training and skills development	Negative impact associated with the lack of skills development/training opportunities for staff.	Potential negative impact	S-M-L	☒	✓	☒

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S1	Training and skills development	The implementation of training and educational activities (such as workshops, technical training programmes, and courses) is essential for developing workers' skills and abilities. Training programmes also help to improve employee satisfaction.	Current positive impact	S-M-L	☒	✓	☒
S1	Diversity	The occurrence of gender-based violence and racism can negatively affect perceptions of the workplace and create discomfort during work activities. These kinds of incidents negatively impact staff wellbeing, lower their drive and output, and may affect their mental health.	Potential negative impact	S-M	☒	✓	☒
S1	Social dialogue	Potential impairment and obstacle to social dialogue between workers, employers, and trade union representatives, resulting in difficulties in securing equitable and favourable agreements for workers.	Potential negative impact	S-M	☒	✓	☒
S1	Confidentiality	There is a risk to employee privacy and personal safety if confidentiality is compromised or if cyberattacks affect company data.	Potential negative impact	S-M	☒	✓	☒
S1	Collective bargaining	Violation of the provisions contained in the national collective labour agreements (CCNL), resulting in a negative impact on the working conditions guaranteed to employees.	Potential negative impact	S-M	☒	✓	☒

Results of the financial materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S1	Adequate wages	Risk of non-compliance with fair wage laws, leading to increased dissatisfaction, higher turnover rates, and potential penalties.	Risk	S-M	☒	✓	☒
S1	Gender equality and equal pay for work of equal value	The lack of gender equality and equal pay for work of equal value can lead to discrimination claims from employees. This risk can arise from unfair hiring, promotion, and pay practices, which may be perceived as discriminatory.	Risk	M-L	☒	✓	☒
S1	Health and safety	Workplace injuries or personal harm (due to deficient workplace occupational health and safety, inadequate risk assessments, improper use of personal protective equipment, or external events) could lead to increased fines and penalties, higher compliance costs due to stricter oversight, and potential legal disputes, all impacting the Group's economic performance.	Risk	S-M-L	☒	✓	☒
S1	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	A high rate of unionisation, combined with ineffective management of work-related issues, might cause strikes that disrupt operations and cause delays. This poses a risk of increased operational costs, disruption of cash flows, and potential legal disputes.	Risk	S-M-L	☒	✓	☒
S1	Training and skills development	Opportunity to benefit from incentives to provide specific training to staff, enhancing the Group's appeal in the market and helping to improve the ability to retain skilled and trained personnel (talent retention).	Opportunity	S-M	☒	✓	☒
S1	Secure employment	Loss of a key person due to pay disparities compared to other companies in the sector, low engagement, or retirement, which could cause possible disruption or underperformance of certain business activities due to the loss of know-how and operational costs associated with recruiting, hiring, and onboarding new personnel.	Risk	S-M	☒	✓	☒
S1	Social dialogue	When social dialogue is compromised, workers and employers may find it more difficult to reach fair and sustainable agreements. This can lead to conflict, strikes and decreased productivity.	Risk	M	☒	✓	☒
S1	Collective bargaining	When a company fails to comply with the regulations set out in the national collective labour agreements (CCNL), workers and trade unions may take legal action to enforce their rights, leading to costly and potentially lengthy lawsuits. Moreover, such violations can cause strikes and other forms of protest, disrupting business operations and reducing productivity. This climate of conflict can also damage the company's reputation, making it harder to attract and retain talent and customers.	Risk	M	☒	✓	☒

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S1	Child labour	Risk of financial losses or damage that may arise from the violation of the fundamental rights of working-age individuals. This risk materialises when current regulations prohibiting child labour are not respected. Failure to comply with such regulations can lead to serious financial consequences and damage to the company's reputation.	Risk	M	☒	✓	☒
S1	Forced labour	Risk of financial losses or damage arising from the violation of individuals' fundamental rights. This risk materialises when current regulations prohibiting forced labour are not respected. Failure to comply with such regulations can lead to serious financial consequences and damage to the company's reputation.	Risk	M	☒	✓	☒

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

Within the Double Materiality Analysis, no specific impacts, risks, or opportunities have been identified for particular groups of people. All the relevant impacts identified concern the entire company workforce of the Group, with no exceptions.

The identified significant negative impacts are potential and linked to individual events.

With reference to the currently identified positive impact in the area of training, the "Training" paragraph in the subsequent section "3.1.3 Metrics and Objectives" details and describes the main activities carried out by the Group.

For Magis, people's wellbeing is a priority, inside and outside the company.

The entire workforce is actively involved in governance through shared sustainability objectives.

By 2030, Magis aims to eliminate the gender pay gap and engage 80 per cent of staff in change management projects and training on artificial intelligence.

3.1.2 Impacts, risks and opportunities management

[ESRS_S1, DR S1-1, DP 19]

[ESRS_S1, DR S1-1, DP 20a, 20b]

[ESRS_2, MDR-P, DP 65a, 65d]

The Magis Group is committed to achieving sustainable success by ensuring the well-being and protection of the rights of people working directly or indirectly for the Group. It respects, protects and promotes human rights and fundamental freedoms for all by committing to guarantee professional relationships with its stakeholders based on respect for human dignity. In this regard, Magis has defined and adopted the Policy for the protection of human rights[21] in order to indicate the fundamental principles on which the Group inspires its work in order to safeguard and promote human rights when conducting its business and activities.

The Group encourages the recipients of the Human Rights Protection Policy to report, including anonymously, any behaviour or omission that constitutes or may constitute a violation, or an inducement to violate, the principles set out in the Policy. Recipients are required to submit reports through the channels adopted by the Group within the violation reporting system (the Whistleblowing system).

In the specific areas of activity of the Magis Group, no operations have been identified that, by type or geographic area, expose the own workforce to a risk of forced, compulsory or child labour.

[ESRS_S1, DR S1-1, DP 21, 22]

[ESRS_2, DR SBM-3, DP 14f, 14g]

Through the adoption of the aforementioned Policy, Magis reaffirms its commitment to protecting human rights, including the labour rights of its employees, ensuring that all activities are carried out in compliance with the United Nations Universal Declaration of Human Rights and applicable national and international laws. Furthermore, it formally rejects any form of forced or child labour and ensures working conditions compliant with current regulations both within the Group's companies and among its partners and suppliers.

[ESRS_S1, DR S1-1, DP 24a]

[ESRS_2, MDR-P, DP 65a, 65d]

In order to promote diversity in all its forms, combat harassment and discrimination, and ensure fair treatment for all staff, the Magis Group has established its Policy for the Protection of Diversity, Equity, Inclusion and Gender Equality[22] (DE&I-PdG) with the ultimate aim of creating an inclusive work environment where diverse ideas and perspectives are valued and encouraged to foster innovation and creativity.

[ESRS_S1, DR S1-1, DP 24b, 24c]

Thanks to the definition of this DE&I-PdG Policy, the Magis Group declares its dedication to preventing all forms of discrimination in employment, starting from the selection and hiring stages through the adoption of inclusive and merit-based criteria, with reference to aspects such as gender, nationality, age, sexual orientation, marital status, disability, physical appearance, skin colour, ethnic and social origins, language, religion or personal beliefs, social and educational background, family and caregiving responsibilities, political opinions, or any other characteristic.

21 The European and national regulatory framework that Magis refers to for the implementation of the Policy for the protection of human rights includes the guidance issued by the United Nations Global Compact (UNGC); the Sustainable Development Goals (SDGs); the ILO Conventions (International Labour Organization); the OECD Guidelines for Multinational Enterprises (Organisation for Economic Co-operation and Development); the Universal Declaration of Human Rights adopted by the United Nations General Assembly; the guiding principles for the promotion of gender equality – Women's Empowerment Principles (WEPs); the Guiding Principles on Business and Human Rights – Implementing the United Nations "Protect, Respect and Remedy" Framework; the European Convention on Human Rights; and the General Data Protection Regulation (GDPR) – Regulation (EU) 679/2016.

22 The European and national regulatory framework that Magis refers to for the implementation of the DE&I-PdG Policy includes the guidance issued by the United Nations Global Compact (UNGC); the Sustainable Development Goals (SDGs); the ILO Conventions (International Labour Organization); the Universal Declaration of Human Rights adopted by the United Nations General Assembly; the guiding principles for the promotion of gender equality – Women's Empowerment Principles (WEPs); the European Convention on Human Rights; and the guidelines on the gender equality management system (UNI/PdR 125:2022)

[ESRS_2, MDR-P, DP 65b, 65c, 65e]

The Policy for the protection of human rights and the Policy for the Protection of Diversity, Equity, Inclusion and Gender Equality, which apply to the Parent Company and its subsidiaries, were adopted by the Parent Company's Board of Directors on the proposal of the Chief Executive Officer, who is responsible for drafting them and updating them periodically with the support of the Company's Finance & Control Department.

The analysis of the issues that emerged through the various channels of engagement with stakeholders made it possible to gather and consolidate the expectations of the different categories of stakeholders, with particular attention to the topics in question.

[ESRS_S1, DR S1-1, DP 20c]

[ESRS_S1, DR S1-1, DP 24d]

[ESRS_2, MDR-P, DP 65f]

To ensure effective implementation of the above-mentioned Policies, they are circulated to all Group companies so that they may acknowledge and adopt them. Furthermore, with a view to ensuring transparency and collaboration with stakeholders across the Value Chain, the information is communicated to all stakeholders through dedicated communications and publication on the Magis Group Parent Company's corporate website, in the section dedicated to sustainability (https://www.gruppomagis.it/sostenibilita).

The implementation of the Policies is monitored by reviewing reports and verifying corrective actions. In the event of a violation, specific protocols proportionate to the severity are activated, including possible disciplinary action.

[ESRS_S1, DR S1-2, DP 27a]

As outlined in the section "1.3 Our Commitment to Stakeholders", the Magis Group uses various channels to directly engage its people, including through trade union representatives, who play a central role in representing employees' needs and concerns.

[ESRS_S1, DR S1-2, DP 27b, 27c]

Communication with employees, which can take the form of formal consultations or informal meetings, is an essential aspect of building a relationship based on trust and collaboration. For this reason, Magis is committed to ensuring a work environment that values active listening and open dialogue, recognising the importance of giving every individual a voice. Responsibility for ensuring effective dialogue is entrusted to the Director of the People & Transformation function, as well as to the organisational unit responsible for Internal Communication.

[ESRS_S1, DR S1-2, DP 27e, 28]

[ESRS_S1, DR S1-3, DP 32a,32b,32c,32d,32e]

The following represent some of the most relevant engagement and discussion opportunities.

- Stakeholder Engagement process as part of the development of the new Business Plan and the ESG Plan. Employees across the Group participated in dedicated focus groups and workshops designed to collect feedback, expectations, and evaluations on key sustainability matters, fostering stronger alignment between initiatives, targets, and internal priorities.
- To ensure ongoing employee engagement on diversity, equity, and inclusion, the Group has implemented a mechanism for submitting anonymous reports (https://gruppomagis.wbisweb.it/#/) and suggestions for improvement on the topic (inclusione@gruppomagis.it). As part of the training provided to staff on diversity, equity, and inclusion, the level of understanding of the topics presented is assessed, including the option to submit anonymous reports through dedicated channels.
- "Diversity and inclusion" survey: through the completion of a survey focused on key topics related to gender equality, diversity, and inclusion, the People Transformation Department engaged the Parent Company's staff to gather their perspectives and awareness on these issues.
- Whistleblowing: a mechanism that allows all staff to confidentially and securely report any breaches of the Code of Ethics, laws, regulations, and company policies and procedures. In accordance with current legislation, this mechanism prohibits any direct or indirect acts of retaliation or discrimination against the whistleblower for reasons connected, directly or indirectly, to the report.
- Reports can be made in writing, through the specific channel available on the Company's institutional website on the whistleblowing page, or verbally by meeting directly with the channel manager.

[ESRS_S1, DR S1-3, DP 33]

As part of the training activities carried out by the Group for the benefit of personnel working in subsidiaries adopting an organisational model pursuant to Legislative Decree 231/01, the level of understanding of the topics covered is assessed, including awareness of the possibility to submit reports through dedicated channels (e.g. Whistleblowing).

For further details, please refer to the following chapter "4. Governance information".

[ESRS_S1, DR S1-4, DP 38a, 38b, 38c, 38d, 39, 40a, 40b, 41, 43]

[ESRS_S1, DR S1-5, DP 47a, 47b, 47c]

[ESRS_2, MDR-A, DP 68e]

[ESRS_2, MDR-T, DP 79a, 79b, 79c, 79e, 80h, 80i, 80j, 80f]

During the reporting period in question, following the joint development of the new Business Plan and the ESG Plan, the Group structured a portfolio of initiatives and objectives aimed at its employees. These objectives were identified from a continuous improvement perspective through comparison workshops with management, benchmarking analyses and sector studies, with the aim of ensuring that the initiatives were aligned with best practice and actual organisational needs.

The initiatives were organised by priority areas, indicating for each the expected outcomes, the areas of intervention and the implementation timeline. As these measures and related targets were introduced in the current financial year, no historical monitoring data are yet available. Progress monitoring will be launched and reported in the next financial years using quantitative and qualitative indicators consistent with the established objectives.

Each initiative provides, within the defined strategic Plans, dedicated financial resources and internal resources. Management is supported by a managerial function that ensures coordination of activities and alignment with the plan's priorities. Specifically, the People Transformation and Organisation and Development functions ensure the overall guidance and governance of programmes aimed at people.

For occupational health and safety aspects, the Head of the Health and Safety Service supervises the implementation of the planned initiatives.

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68d]

[ESRS_2, MDR-T, DP 80a, 80b, 80c, 80d, 80e]

With regard to diversity and inclusion, the Group has initiated a programme aimed at progressively eliminating the gender pay gap by 2030 through the adoption of a compensation policy intended to prevent and address any disparities. In parallel, by the same deadline, the gender equality certification is expected to be extended to a further three Group companies (Magis Smart and Magis Energia by 2026, V Reti by 2028), through the adoption of a dedicated policy and the related adjustment of organisational structures. Awareness-raising initiatives on the D&I topic have also been planned, involving the entire company population, with interim targets set at 20% in 2026 and 50% in 2028. To support these objectives, empowerment programmes have been created for female employees, supported by specialist training, mentoring activities and measures to ensure equal opportunities. The strategic objective is to achieve 45.6% female representation in Magis's workforce and 35% women among managers and coordinators.

As regards employee wellbeing, the Group plans to introduce a system for measuring employee satisfaction with welfare services, based on the identification of employee needs through surveys and focus groups, targeted communication initiatives including campaigns, newsletters and dedicated meetings, and easier access to services via digital portals and mobile applications. The data collected periodically will be used to feed a cycle of continuous improvement for initiatives dedicated to employees. The objective is to achieve a satisfaction rate of over 24% by 2030, with interim targets set at 18% in 2026 and 22% in 2028.

In the area of professional development and training, the VOLT UP project – focused on the development of tailored individual competencies – will be extended to cover the entire employee population aged over 40, with the objective of moving beyond the current coverage rate of below 10% expected for 2024, supported by intermediate targets of 50% in 2026 and 90% in 2028. In order to improve accessibility and efficiency, the Group plans to deliver 30% of training activities through innovative methodologies such as gaming, augmented reality and artificial intelligence-based solutions, integrating them with in-person sessions, digital sessions, microlearning and coaching, with interim targets set at 10% in 2026 and 20% in 2028. In addition, the involvement of 80% of the population in change management initiatives and training programmes on artificial intelligence is planned, with interim targets set at 20% in 2026 and 50% in 2028, significantly increasing the level of participation compared to the 2024 figure of 7%.

In the context of performance management, the objective has been set to increase by 62.5% by 2027 the number of employees involved in performance and competence assessment, integrating – where envisaged - MBO objectives and ensuring that assessments are aligned with the corporate competence model. In 2025, the figure refers to 74 employees. In addition, the definition of succession plans has been scheduled, to be completed by 2026, through the mapping of critical positions, the identification of potential successors through specific talent reviews and the design of individual development plans.

Finally, in relation to health and safety, targets have been set to reduce both the injury frequency rate and the severity rate below the averages of the last three years, setting the year-end 2025 reference values at 19.11 for frequency and 0.52 for severity. To achieve these goals, a Behaviour Based Safety system will be implemented, enabling workers to provide feedback on behaviours in order to prevent accidents and improve operating procedures.

Table 46 – Targets for reducing the frequency rate and severity rate

	2023	2024	2025	2023-2025 average
Frequency rate	25,00	16,60	15,73	19,11
Severity rate	0,65	0,46	0,44	0,52

[ESRS_2, MDR-A, DP 69a, 69b, 69c]

With reference to these actions envisaged by the ESG Plan and the Business Plan, economic estimates are updated on an annual basis as part of the planning and budgeting process. The organisation does not prepare multi-year cost projections for each individual target, as the resources required for the implementation of the initiatives are allocated on an annual basis and defined by the HR Department according to operational priorities. In addition, these actions do not currently entail capital expenditure of a significant amount; consequently, it is not necessary to provide a forecast of dedicated CapEx.

3.1.3 Metrics and targets

[ESRS_S1, DR S1-6, DP 50a, 50f]

2.402

Total employees
in the 2025 financial year[23]

611 Women

1.791 Men

97,8%

Employees with
a permanent contract

The centrality of people for the Magis Group is also shown by its continuous investment in human resources, which increased by 55 overall during the reporting period (45 of whom following the inclusion of employees from the two subsidiaries belonging to the Business Unit Mercato, Global Power and Global Power Plus).

Women in the Magis Group represent 25.4% of the company population, 11.9% of whom, out of the total workforce, hold clerical positions. The employee population is mainly composed of men, who represent 74.6% of the workforce, reflecting the characteristics of the sectors in which the Group operates.

In particular, male blue-collar workers account for the largest share of the workforce (50.7%), reflecting the operational management of the services provided throughout the territory, including environmental health services, waste collection and treatment activities, and the maintenance of distribution networks and energy and heat generation facilities.

23 ESRS_S1, DR S1-6, DP 50d] The employee data reported in this section of the Consolidated Sustainability Statement have been calculated using the "headcount" methodology at the end of the reporting period (31/12/2025).
[ESRS_S1, DR S1-6, DP 50f] The employee data reported in the Consolidated Financial Report, in "Note 32 Employee costs" in section "9. Operating costs", have been calculated as an average over the reporting period (01/01/2025 - 31/12/2025).

The workforce composition consists of 0.9% executives, 3.2% managers, and 32.5% and 63.4% clerical and manual workers, respectively.

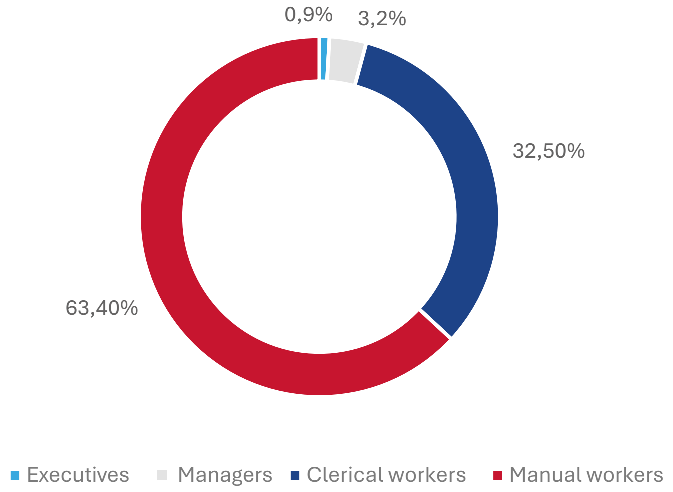

Figure 26 – Distribution of the professional structure

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

The activities put in place to support the development of people are also expressed by using contractual forms that offer greater guarantees, such as that of permanent employment. This classification represents almost all of the employment relationships at Magis (97.8% of the employment contracts of the Group Companies).

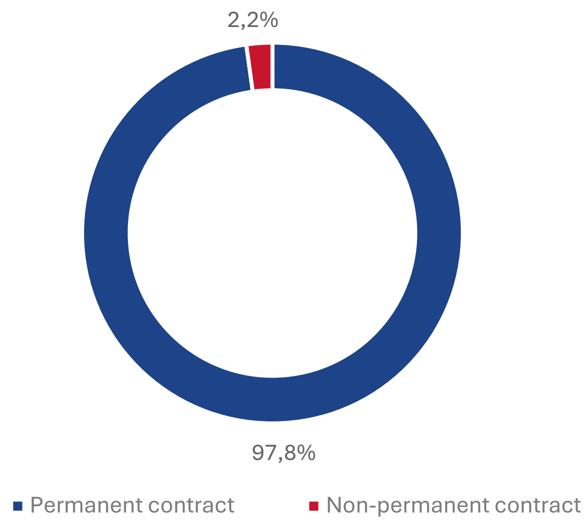

Figure 27 – Distribution of contractual forms in place with workers

Part-time contracts, which account for 3.9%, arise mainly for workers' personal needs.

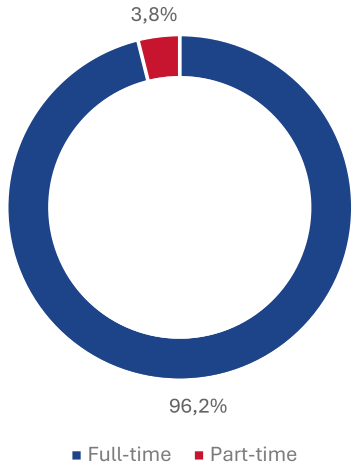

Figure 28 – Distribution of full-time / part-time contracts

[ESRS_S1, DR S1-7, DP 55a, 55c, 56]

The Magis Group's non-employees are mainly staff on manpower supply contract for the purpose of temporary employment with the Group and staff on internship contracts to perform the curricular training projects lasting about 3 months. During the 2025 financial year, the Group engaged 32 non-employee workers[24] , including 19 men and 13 women.

The Magis Group does not carry out any operations exposed to a serious risk of forced labour or child labour.

[ESRS_S1, DR S1-9, DP 66b]

The average age of the people in the Magis Group is 48 years old[25] .

At Group level, during 2025, 168 people were hired (52.4% of whom were related to the Group's environmental companies). Of the new hires, 17.3% were women and 43.5% were aged between 30 and 50: these data demonstrate the Magis Group's commitment to investing in younger people and supporting generational turnover.

[ESRS_S1, DR S1-6, DP 50e]

The inbound turnover rate, calculated as the ratio of the total number of people hired during the year to the total workforce in the reference year, stands at 7.0% (5.8% for men and 1.2% for women).

The outbound turnover rate is 6.6% (5.9% for men and 0.7% for women).

[ESRS_S1, DR S1-6, DP 50c]

During the reporting period, 158 people left the Group, of which 67.3% related to the Group's environmental companies which, due to the type of activities carried out and the relevant sector (waste collection and treatment), are characterised by a high overall turnover rate.

[ESRS_S1, DR S1-6, DP 50e]

The main reasons for outbound turnover are voluntary resignations (54.3% of cases), followed by retirement (21% of cases) and the expiry of fixed-term contracts, accounting for 16.7% of the total.

24 [ESRS_S1, DR S1-7, DP 55b] Please note that the data relating to non-employee workers have been calculated using the "headcount" methodology at the end of the reporting period (31 December 2025).

25 The average age data do not include Eco Tirana and SERIT.

Staff recruitment

The Group's process for selecting and hiring new employees involves acquiring the most suitable resources, both in terms of number and quality, aligned with the actual business needs and available financial resources, based on the principles of:

- adequate publicity of the recruitment;
- impartiality;
- cost-effectiveness and speed of execution;
- respect for equal opportunities between female workers and male workers.

Selection processes are managed by the People and Transformation Department based on job descriptions prepared in collaboration with the managers of the Parent Company and the Business Units, using objective criteria.

The selection process includes one or more interviews, both motivational and technical, deemed appropriate to preliminarily verify the candidate's possession of the aptitude and professional requirements necessary for the role and to assess the candidate's potential. Each step of the process, as well as the different interactions with candidates, are tracked within a dedicated management software.

CVs received at the registered office are deleted after a period of two years, in accordance with the applicable data protection legislation.

Hiring takes place with an individual employment contract, in line with the national collective agreements (of a private nature) applied by the various Group companies depending on the relevant sector in which they operate (for example, electricity, environment, etc.).

The 2025 recruitment plan pursued the following objectives:

- the enhancement of the skills available within the Magis Group through the identification of specialised professionals in the labour market, with the objective of adjusting the operational scope of certain organisational units or establishing new ones according to the needs of the Business Plan;
- to address replacement requirements resulting from turnover, the Group promoted a diversification of skills, specialisations and generational profiles across all business units by identifying labour market candidates who, where possible, featured: an age below 30, strong expertise in technical functions, advanced digital and data science capabilities for managerial positions, robust technical-professional training for operational roles, and strong problem-solving and interpersonal skills across all profiles recruited;
- give preference to internal career development and mobility, limiting the recruitment of senior professionals to specific cases of skills gaps and urgent role requirements;
- continued focus on inclusion matters, particularly with regard to gender equality.

Table 47 – Workforce distribution by gender and location (no.)

[ESRS_S1, DR S1-6, DP 50a]

Group employees	2025	2024
Italy	**1.491**	**1.447**
Female employees	303	265
Male employees	1.188	1.182
Other	0	0
Not disclosed	0	0
Albania	**911**	**900**
Female employees	308	304
Male employees	603	596
Other	0	0
Not disclosed	0	0
Total Group employees	**2.402**	**2.347**

Table 48 – Workforce by contract type (permanent / fixed-term / variable hours) and gender (no.)[26]

[ESRS_S1, DR S1-6, DP 50b]

Type of contract	2025		2024	
Total employees on permanent contracts	**2.350**	**97,8%**	**2.305**	**98,2%**
Female employees	607	25,8%	566	24,6%
Male employees	1.743	74,2%	1.739	75,4%
Other	0	0,0%	0	0,0%
Not disclosed	0	0,0%	0	0,0%
Total employees on fixed-term contracts	**52**	**2,2%**	**41**	**1,7%**
Female employees	4	7,7%	3	7,3%
Male employees	48	92,3%	38	92,7%
Other	0	0,0%	0	0,0%
Not disclosed	0	0,0%	0	0,0%
Total employees on variable-hours contracts	**0**	**0,0%**	**1**	**0,0%**
Female employees	0		0	
Male employees	0		1	
Other	0		0	
Not disclosed	0		0	
Total Group employees	**2.402**		**2.347**	

26 It should be noted that some personnel data by professional category for FY 2024 have been restated to ensure methodological consistency and accurate comparability with FY 2025.

Table 49 – Workforce by contract type (full-time / part-time) and gender (no.)

[ESRS_S1, DR S1-6, DP 52a, 52b]

Type of contract	2025		2024	
Full-time	**2.310**	**96,2%**	**2.263**	**96,4%**
Female employees	535	23,2%	498	22,0%
Male employees	1.775	76,8%	1.765	78,0%
Other	0	0,0%	0	0,0%
Not disclosed	0	0,0%	0	0,0%
Part-time	**92**	**3,8%**	**84**	**3,6%**
Female employees	76	82,6%	71	84,5%
Male employees	16	17,4%	13	15,5%
Other	0	0,0%	0	0,0%
Not disclosed	0	0,0%	0	0,0%
Total Group employees	**2.402**		**2.347**	

Table 50 – Workforce by contract type (permanent/fixed-term/variable hours) and location (no.)

[ESRS_S1, DR S1-6, DP 50b, 51]

Type of contract	2025		2024	
Permanent contract	**2.349**	**97,8%**	**2.305**	**98,2%**
Italy	1.438	61,2%	1.405	61,0%
Albania	911	38,8%	900	39,0%
Fixed-term contract	**53**	**2,2%**	**41**	**1,7%**
Italy	53	100,0%	41	100,0%
Albania	0	0,0%	0	0,0%
Flexible working hours	**0**	**0,0%**	**1**	**0,0%**
Italy	0		1	100,0%
Albania	0		0	0,0%
Total Group employees	**2.402**		**2.347**	

Table 51 – Workforce by contract type (full-time / part-time) and location (no.)

[ESRS_S1, DR S1-6, DP 50b, 51, 52a, 52b]

Type of contract	2025		2024	
Full-time	**2.310**	**96,2%**	**2.263**	**96,4%**
Italy	1.404	60,8%	1.368	60,5%
Albania	906	39,2%	895	39,5%
Part-time	**92**	**3,8%**	**84**	**3,6%**
Italy	87	94,6%	79	94,0%
Albania	5	5,4%	5	6,0%
Total Group employees	**2.402**		**2.347**	

Table 52 – Recruitment broken down by gender, age, and location (no.)

Recruitment	2025	2024
Total recruitment	**168**	**880**
Female employees	29	252
Male employees	139	628
Other	0	0
Not disclosed	0	0
Under 30 years old	45	168
30-50 years old	73	390
Over 50 years old	50	322
Italy	133	157
Albania	35	723

Table 53 – Terminations broken down by gender, age, and location – environmental focus (no.).[27]

[ESRS_S1, DR S1-6, DP 50c]

Terminations	2025	2024
Total terminations	**158**	**353**
Female employees	17	56
Male employees	141	297
Other	0	0
Not disclosed	0	0
Under 30 years old	9	59
30-50 years old	41	157
Over 50 years old	108	137
Italy	134	134
Albania	24	219

Table 54 – Employee inflow and outflow.[28]

[ESRS_S1, DR S1-6, DP 50c]

Employee turnover (inflow and outflow)	2025	2024
Employees in total[29]	**2.402**	**2.347**
Total recruitment	168	880
Incoming turnover	**7,0%**	**37,5%**
Total terminations	158	353
Outgoing turnover	**6,6%**	**15,0%**

27 It should be noted that the data relating to terminations that occurred in FY 2024 were recalculated in order to ensure methodological consistency and correct comparability with FY 2025.
28 It should be noted that employee turnover (inflow and outflow) data relating to total terminations in FY 2024 were recalculated in order to ensure methodological consistency and correct comparability with FY 2025. In addition, the data presented in this table are reported net of any intra-group transfers of people.
29 The increase in the total number of employees, equal to +55 people, is attributable to the combined effect of employee turnover (inflow and outflow) (+10 people) and the addition of no. 45 employees of Global Power and Global Power Plus.

Table 55 – Employees by gender and professional qualification (no.)

[ESRS_S1, DR S1-9, DP 66a]

	2025						2024					
	Women	**%**	**Men**	**%**	**Total**	**%**	**Women**	**%**	**Men**	**%**	**Total**	**%**
Senior managers	4	0,7%	17	0,9%	21	0,9%	2	0,4%	15	0,8%	17	0,7%
Middle managers	21	3,4%	57	3,2%	78	3,2%	17	3,0%	53	3,0%	70	3,0%
White collar workers	286	46,8%	494	27,6%	780	32,5%	253	44,5%	491	27,6%	744	31,7%
Blue collar workers	300	49,1%	1.223	68,3%	1.523	63,4%	297	52,2%	1.219	68,6%	1.516	64,6%
Total	**611**	**25,4%**	**1.791**	**74,6%**	**2.402**	**100,0%**	**569**	**24,2%**	**1.778**	**75,8%**	**2.347**	**100,0%**

Table 56 – Employees by age group and professional qualification (no.)

[ESRS_S1, DR S1-9, DP 66b]

	2025					2024				
	<30 years old	**30-50 years old**	**> 50 years old**	**Totale**	**%**	**< 30 years old**	**30-50 years old**	**> 50 years old**	**Totale**	**%**
Senior managers	0	6	15	21	0,9%	0	2	15	17	0,7%
Middle managers	0	35	43	78	3,2%	0	32	38	70	3,0%
White collar workers	68	342	370	780	32,5%	63	320	361	744	31,7%
Blue collar workers	145	604	774	1.523	63,4%	146	612	758	1.516	64,6%
Total	**213**	**987**	**1.202**	**2.402**	**100,0%**	**209**	**966**	**1.172**	**2.347**	**100,0%**

Collective bargaining and welfare

[ESRS_S1, DR S1-4, DP 38 a, 38b, 38c, 38d]

[ESRS_S1, DR S1-10, DP 69]

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

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

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

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

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

The performance bonus, negotiated during second-level bargaining, is linked to measurable and quantifiable increases in productivity, profitability, quality, or efficiency and innovation of the production process. In all Group companies, the targets for the 2025 bonus are closely linked to the business of each legal entity, or functional to it, and are aimed at enhancing and measuring collective performance.

Regarding the Parent Company, it consists of numerous staff units whose main objective is to support and enhance the service provided or the activities carried out by the subsidiaries.

For the subsidiaries, on the other hand, the objectives are aimed at improving qualitative and quantitative performance, achieving specific results, or implementing and developing new businesses or phases thereof.

Payment of the bonus, subject to the Group reporting a profit in its consolidated financial statements, will be contingent upon the achievement of the Group's objectives.

Therefore, the annual Performance Bonus for the employees will be related:

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

In this regard, the possibility of converting, in whole or in part, the amount of the Performance Bonus into forms of welfare was also maintained in 2025. In particular, to all workers who freely chose to convert their Bonus into welfare goods and services and who are entitled to do so under current tax legislation, the Company made available an additional package of welfare goods and services with a value equal to 20% of the converted portion of the Bonus. Instead workers who chose to convert the Performance Bonus by allocating it in whole or in part to the sector Supplementary Pension Fund, were granted a further amount equal to 5%, in addition to the above value of 20%, of the converted portion of the Performance Bonus.

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

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

WE INVEST IN THE WELLBEING OF OUR PEOPLE

The Magis Group considers flexibility to be a useful and indispensable tool for improving the quality of life of its employees and, at the same time, one of the levers for improving performance and productivity.

Magis facilitates the work-life balance by applying flexible working hours, providing part-time employment contracts (part-time), and allowing the use of smart working.

In the 2025 financial year, smart working involved 264 people within the Magis Group (17.6% of the total workforce based in Italy), accounting for a total of 112,888 hours.

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

- **Flexibility under exceptional circumstances**
  The Group takes into account the needs of workers, analysing each situation and arranging ad hoc management for each individual, based on a linear organisation.
- **Part-time on return from maternity leave**
  Every request received is carefully reviewed with the aim of enabling all individuals to balance caregiving responsibilities or other personal needs with their career path.
- **Remote working**
  Magis has introduced and consolidated smart working arrangements for all roles classified as "smartable". Smart working represents a form of flexibility and at the same time a new management philosophy, which evaluates work on objectives and not on schedulesi.

As mentioned in the previous paragraph, in order to monitor employee satisfaction with reference to the welfare package and benefits offered, the Group has planned to introduce a satisfaction measurement system based on surveys and focus groups, with targeted communication of the offering and simplified access via digital channels and mobile applications.

[ESRS_S1, DR S1-8, DP 60a, 60b]

[ESRS_S1, DR S1-8, DP 63a, 63b]

The Group supports freedom of association and the effective recognition of the right to collective bargaining, considering dialogue with trade unions and workers' representatives essential. Periodic meetings with company union representatives are planned in order to promote not only constant communication but also proactive cooperation on all relevant issues, with particular attention to safety, training and sustainability initiatives.

With specific reference to the workforce based in Italy, within the Group numerous National Collective Employment Contracts (CCNL) are in force,[30] including:

- UTILITALIA National Collective Bargaining Agreement – Electricity Sector (79.2%)
- Single National Collective Labour Agreement for Environmental Services (17.0%)
- Confcommercio National Collective Bargaining Agreement for the Tertiary Sector (2.3%)
- Confservizi-Federmanager National Collective Bargaining Agreement for Executives in Public Utility Service Companies (1.6%).

30 The figure provided does not include the Serit, Eco Tirana, Global Power and Global Power Plus companies.

At present, there are no specific agreements for representation by international bodies such as, for example, the European Works Council (EWC).

100% of the employees in Italy are covered by the above-mentioned National Collective Bargaining Agreements.

The costs that Magis incurs for its employees mainly take into consideration: both immediate (remuneration and fringe benefits) and deferred (severance indemnities and additional months) direct remuneration, and indirect remuneration (social security contributions borne by Group companies).

Personnel costs are a significant indicator of the contribution of the Magis Group to employment in the local area (Veneto) in which 58.9% of its employees reside.

[ESRS_S1, DR S1-8, DP 60a]

The unionisation rate within the Magis Group in 2025, calculated as the number of union members over the total employees[31] based in Italy, is 39.8%.

[ESRS_S1, DR S1-15, DP 94]

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

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

During the reporting period, a number of initiatives were introduced to support employee wellbeing, including the "Solidarity Hours" initiative, enabling employees to voluntarily and without compensation donate holiday hours to colleagues needing to care for minor children or family members, together with paid leave for the assistance of children under 18, parents aged over 65, and spouses or de facto partners.

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

Diversity & Inclusion

[ESRS_S1, DR S1-17, DP 103 a, 104 a]

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

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

The Group promotes respect for equal opportunities in each dimension of diversity.

[ESRS_S1, DR S1-16, DP 97a]

Gender: Magis is committed to fighting stereotypes, prejudices, including unconscious ones, and any form of discrimination associated with gender or gender identity differences.

Interculturality: Magis recognises the value that the integration of different cultures and experiences can offer on a human, social and professional level, generation and disability.

31 The figure provided does not include the Eco Tirana, Global Power and Global Power Plus companies.

Generation: Magis addresses the challenges associated with the evolution of society, the market and innovation by valuing the knowledge, experience and different perceptions of work, roles and relationships that characterise each age group.

[ESRS_S1, DR S1-12, DP 79, 80]

Disability: Magis is committed to recognising equal opportunities for all, irrespective of sensory, cognitive or motor disabilities, by implementing actions and measures designed to eliminate cultural, structural, sensory and physical barriers. Within the Group some personnel belong to the protected categories, representing 2.8% of the total workforce.

[ESRS_S1, DR S1-17, DP 103 a, 103b, 103c, 104 a, 104b]

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

In 2025, the Inclusion initiatives defined in previous financial years were consolidated with the launch of the "Energeticamente" project, open to all people in the Magis Group through training actions, internal communication on topics related to wellbeing, harassment, inclusive language and, finally, by making a Psychological desk available to all Group employees. In addition, the management system relating to the Gender Equality Certification (UNI/PdR 125:2022) for the Parent Company Magis S.p.A. was maintained, with the certification also being extended to Magis Smart and Magis Energia at the end of 2025.

During the 2025 financial year, no reports were submitted through the channels available to Magis Group personnel, and no incidents of discrimination, harassment or human rights violations were identified. In the same period, no sanctions were recorded with reference to these matters.

[ESRS_S1, DR S1-16, DP 97 a, 97c]

Magis's commitment to combating and preventing all types of discrimination is also reflected in the remuneration structure of its staff. The Group's system of remuneration policies is based on the ability to recognise the most appropriate remuneration package on the basis of individual performance and professional skills. Any distinction in remuneration between the persons of Magis may be exclusively attributable to these factors. The ratio of women's remuneration to men's shows limited differences in the categories of executives and middle managers (96.5%) and employees (92.5%), with a more marked difference for manual workers (72.8%) due to the fact that female manual workers are mainly employed in support activities at operational sites, whereas male manual workers, working in the field, have technical and operational skills and specialisations that are correspondingly reflected also in remuneration (for example, because they work shifts at night and during public holidays). Similarly, the base salary ratio shows limited differences for executives and middle managers (97.7%) and for employees (92.7%), with more significant differences recorded in the manual workers category (74.6%) for the same reasons as those reported above[32] . In principle, any differences between genders are related to factors such as the organisational weight of the position, level of responsibility and length of service. The analysis of specific deviations did not reveal discriminatory trends but dynamics linked to the representativeness of the female sample in the reference cluster.

[ESRS_S1, DR S1-16, DP 97b]

The ratio between the total annual remuneration of the highest-paid individual and the median total annual remuneration of all other employees in the 2025 financial year is 5.88%.

32 The data provided do not include the Eco Tirana and Serit companies.

Table 57 – Remuneration metrics (pay gap and total compensation)

[ESRS_S1, DR S1-16, DP 97a, 97b, 98]

Female/male ratio	2025		2024	
	Base Pay	Remuneration	Base Pay	Remuneration
Senior managers and middle managers	**97,7%**	**96,5%**	**93,0%**	**94,9%**
Less than 6 years	91,5%	81,8%	83,3%	82,7%
Between 6 and 15 years	74,5%	76,7%	76,9%	73,1%
Between 16 and 25 years	102,4%	103,2%	96,5%	98,2%
More than 26 years	133,5%	143,7%	122,1%	135,1%
White collar workers	**92,7%**	**92,5%**	**92,4%**	**91,8%**
Less than 6 years	91,6%	91,4%	92,8%	91,5%
Between 6 and 15 years	97,2%	96,9%	97,0%	96,8%
Between 16 and 25 years	91,7%	91,3%	91,9%	91,7%
More than 26 years	92,6%	92,3%	92,0%	91,2%
Blue collar workers	**74,6%**	**72,8%**	**76,0%**	**73,9%**
Less than 6 years	76,4%	74,3%	0,0%	0,0%
Between 6 and 15 years	0,0%	0,0%	0,0%	0,0%
Between 16 and 25 years	80,4%	79,1%	77,3%	75,3%
More than 26 years	0,0%	0,0%	0,0%	0,0%

Training

[ESRS_S1, DR S1-13, DP 83b]

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

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

On-the-job training plays a primary role and is guaranteed thanks to the involvement of hierarchical superiors, who are encouraged to take a leading and coaching role in the development of their co-workers, to ensure that they are successful in their current role while increasing their awareness for future career aspirations.

In 2025, 41,578 hours[33] of training were provided to employees, broadly in line with the previous financial year (-6.9%). In 2025, the per capita training hours per participant in the Magis Group amounted to 17.2.

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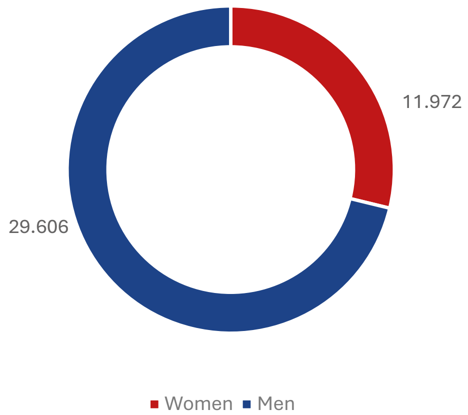

Figure 29 – Hours of training by gender

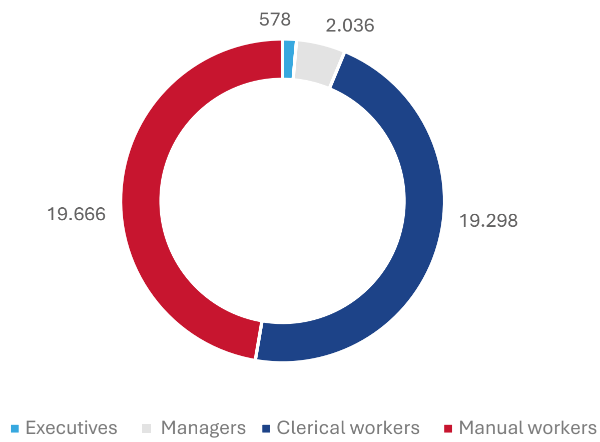

Figure 30 – Hours of training by qualification

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

33 The figure provided does not include Global Power and Global Power Plus.

The 2025 training plan provided mandatory occupational health and safety training and technical training to maintain the technical and professional skills of all the employee categories.

An initial training course on Artificial Intelligence and Copilot was delivered, and a community was launched, open to all people in the Magis Group who, regardless of their role, requested a Copilot licence. Training initiatives were launched to strengthen the feedback-based leadership model.

In addition to the training activities planned and delivered in 2025, the Magis Group continued to invest in staff development.

- Onboarding process that supports all new hires during their first year of work. The process includes the delivery of a welcome kit, the organisation of the first day's agenda, the digitalisation of onboarding documentation, the distribution of short informational videos designed to communicate key information about the Group and its values, a digital pathway for tracking touchpoints involving the employee, their manager and the Organisation and Development team, as well as two dedicated meetings: the "New Hires' Coffee" and a visit to Magis Group facilities. Each new hire is paired with a "Buddy", a person in the Group who has made themselves available to support and guide colleagues, including on informal topics, during the initial period after joining.
- The "Corporate Erasmus" project enabled 31 employees in 2025 to spend a short period within a different business function, working on topics unrelated to their day-to-day activities.
- The VOLT UP < 40 project, aimed at developing individual skills and targeted at all Magis Group employees under the age of 40 holding technical qualifications or degrees. In 2025, the project continued with the creation of the VOLT UP Academy for 20 employees of the Magis Group, who during the year participated in training initiatives, online coaching, reverse mentoring activities and working groups.
- Project VOLT UP >55, aimed at engagement and skills development for office staff over the age of 55. In the second half of 2025, the assessment methodology and the scope of the project were defined, and the supplier was identified who, in the 2026 financial year, will carry out the assessment and identify development and engagement actions.

Finally, during the 2025 financial year, the Risk Management and ESG Function developed a specific training programme relating to the Internal Control and Risk Management System (the "ERM Training" programme), delivered through differentiated approaches according to the participants involved and including a dedicated test to verify the adequacy of the learning outcomes achieved. In particular, the course was delivered to Italian employees through:

- a series of workshops dedicated to all company management (executives and middle managers), which made it possible to achieve a participation and test-pass rate of 100% of those invited;
- via e-learning for all office employees and operational staff with administrative duties (and therefore provided with a fixed workstation and personal computer), resulting in a participation and successful test completion rate of 93.5% of invited employees.

From 2026 onwards, ERM Training will continue in e-learning mode for all new people who join the Magis Group.

[ESRS_S1, DR S1-13, DP 83a]

A total of 405 employees (equal to 37% of the company workforce included in the applicable scope[34]) participated in regular performance and career development reviews during 2025. Among the participants, 280 are men and 125 are women, representing 69% and 31% of the total, respectively. The data include employees involved in compensation review and performance management processes, i.e. individuals for whom the assessment cycle supported decisions regarding pay rises, category changes, one-off bonuses or other compensation and/or development initiatives. For 16% of the population included in the applicable scope, the performance review was part of the performance management process and had therefore been agreed in advance.

34 For the purposes of this indicator, the companies Eco Tirana Sh.a., Global Power S.p.A., Global Power Plus S.r.l. and SER.I.T. S.r.l. have been excluded from the calculation scope, as they are not equipped with a performance management system.

Table 58 – Average per capita training hours by gender and professional qualification (no.)[35]

[ESRS_S1, DR S1-13, DP 83b]

Average hours per employee	2025	2024
Total average hours per employee	**17,3**	**19,0**
Women	19,6	16,2
Men	16,5	19,9
Other	0,0	0,0
Not disclosed	0,0	0,0
Senior managers	27,5	19,5
Middle managers	26,1	27,3
White collar workers	24,7	31,9
Blue collar workers	12,9	12,4

Table 59 – Training hours by gender and professional qualification (no.)[36]

[ESRS_S1, DR S1-13, DP 83b]

Hours of training	2025	%	2024	%
Total training hours	**41.578**	**100,0%**	**44.682**	**100,0%**
Women	11.972	28,79%	9.239	20,68%
Men	29.606	71,21%	35.443	79,32%
Other	0	0,00%	0	0,00%
Not disclosed	0	0,00%	0	0,00%
Senior managers	578	1,39%	331	0,74%
Middle managers	2.036	4,90%	1.913	4,28%
White collar workers	19.298	46,41%	23.696	53,03%
Blue collar workers	19.667	47,30%	18.743	41,95%

35 It should be noted that the values of average training hours per employee by job level relating to FY 2024 were recalculated in order to ensure methodological consistency and correct comparability with FY 2025. The overall figure for average training hours per employee, disaggregated by gender, did not require recalculations and is therefore confirmed as originally reported.

36 It should be noted that the values relating to training hours by professional category for FY 2024 have been restated to ensure methodological consistency and accurate comparability with FY 2025.

Occupational health and safety

[ESRS_S1, DR S1-1, DP 23]

[ESRS_S1, DR S1-14, DP 88 a]

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

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

The Group's managerial approach to this issue has long been inspired and guided by international standards and rules: firstly, the reference was the OHSAS 18001 standard and then the ISO 45001 standard, which are observed by the systems implemented in eight Group companies. The staff of the Group companies that have adopted their own Occupational health and safety management system in accordance with the ISO 45001 standard[37] represent 30.7% of total employees; thanks to the voluntary application by our organisation of the same operational management methods for accident prevention issues, the other Italian employees of the Group (approx. 31.5%) also indirectly benefit from the coverage of the Occupational health and safety management system

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

In the event of an accident, an investigation is launched which may include, in addition to interviewing the injured person and any witnesses, an inspection of the site of the event. The objective of the investigation is to determine its causes in order to identify the measures to be taken to prevent it from happening again. A similar investigation is opened in the case of near misses.

In accordance with the provisions of Articles 17, 18, 28 and 29 of Legislative Decree 81/08, Employers, in collaboration with the Heads of the Health and Safety Service (RSPP) and the Company Doctors, implement a process to identify the hazards and assess risks to health and safety in the workplace and in the activities carried out by the personnel. This process allows Employers to identify suitable prevention and protection measures to avoid or, if not possible, reduce the likelihood of an unfavourable event or, in any case, reduce its consequences.

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

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

37 The Group companies that have adopted their own management system in accordance with the ISO 45001 standard are the Parent Company Magis S.p.A. and its subsidiaries Magis Power, Magis Calore, Magis Smart and V-reti.

ENERGICAMENTE PROJECT

In May 2025, the "Energicamente" project was launched, an initiative promoted by the Magis Group and dedicated to the topics of psychological well-being, diversity and inclusion, parenthood, caregiving and female empowerment.

The initiative was developed in collaboration with a company specialising in psychological support and organisational training.

The project includes a training programme consisting of webinars and editorial content, focusing on everyday psychological health and on the topics of diversity, equity and inclusion.

The sessions provide practical tools and food for thought to address personal and professional challenges with greater awareness.

In addition, a psychological support service via video call is available, accessible from any device, in complete confidentiality and with maximum flexibility.

Up to five individual online sessions with experienced professionals are available to each employee, selectable according to their needs.

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

The Magis Group has implemented a trade union agreement aimed at protecting health and safety in the workplace through the adoption of a "man-down" system for employees working alone or in isolated conditions

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

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

Blood tests and specialist exams, which take place on the prescription of the company doctors, are entrusted by the Group to external medical laboratories based on an agreement. Personnel are invited to attend the medical examination within the time limits laid down in the regulations, by means of individual written communications from the Health and Safety Service.

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

Health surveillance includes the prevention of occupational diseases that the worker could contract in carrying out their activity. 18 applications were received in 2025 for the recognition of occupational diseases by Group employees or former Group employees, all in the environmental area.

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

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

It is extremely important for each employee to be aware of the risks to which they are exposed in their activities; this awareness is also gained by participating in safety training organised by the Company. The Group is strongly committed to involving employees, on all levels, in safety training to spread the culture. Traditional meetings with operational personnel and their operational managers have partially resumed, involving the analysis, together with the RSPP, of workplace accidents and near misses recorded within the Group in the previous year.

[ESRS_S1, DR S1-14, DP 88c]

In 2025, there were 68 accidents at work, of which the main causes were tripping, slipping, stress injury and injuries caused by working. There were 10 commuting accidents, this term indicating those accidents occurring when travelling from home to the workplace with means owned by the individual worker. In these events, the causes depend on factors that cannot be managed by the companies of the Magis Group.

[ESRS_S1, DR S1-14, DP 88e]

Finally, there are 18 accidents that can be classified as accidents with serious consequences for absence from work of more than 40 days. No event had an initial prognosis of more than 40 days.

[ESRS_S1, DR S1-14, DP 88d]

Although certain requests for the recognition of occupational diseases were submitted, no occupational illness cases were officially recognised during 2025.

[ESRS_S1, DR S1-14, DP 88b]

No fatalities resulting from injuries or illnesses related to work activities were recorded during the reporting period.

Table 60 – Health and safety metrics of the Group's own workforce[38]

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

Own workforce	Unit of measure	2025	2024
Deaths	Unit	0	0
Deaths resulting from occupational illnesses	Number	0	0
Accidents	Unit	68	60
Occupational Illness Claims Submitted	Unit	18	18
Hours worked	Number	4.323.321	3.603.988
Absences Due to Workplace Accidents	Days	2.132	2.198
Severity rate	Number	0,44	0,46
Rate of occupational accidents with serious consequences serious workplace accident rate	Number	4,16	3,61
Rate of recordable occupational accidents	Number	15,73	16,65
Percentage of employees covered by the health and safety management system	Percentage	100%	100%

Table 61 –Health and safety metrics relating to value chain workers operating at the Group's sites

[ESRS_S1, DR S1-14, DP 88b, 89]

Value chain workers at the Group's sites	Unit of measure	2025	2024
Deaths	Unit	0	0
Deaths resulting from occupational illnesses	Number	0	0

38 It should be noted that the own workforce health and safety data relating to the "Severity Rate" and the "Rate of Occupational Accidents with Serious Consequences" for FY 2024 have been recalculated in order to ensure methodological consistency and proper comparability with FY 2025.

3.2. Workers in the value chain – ESRS S2

3.2.1 Strategy

[ESRS_2, DR SBM-3, DP 48a]

The table below presents the impacts, risks and opportunities concerning workers in the value chain that the Magis Group identified and deemed material as a result of the Double Materiality Analysis (DMA) conducted and updated in 2025, as outlined in section 1.4 “Material Sustainability Topics”.

[ESRS_2, DR SBM-2, DP 9]

As part of this initiative, the Magis Group adopted a structured stakeholder engagement approach that, over the course of 2025, promoted targeted meetings and workshops involving key opinion leaders and representatives of the Group’s primary internal and external stakeholders. For further details, please refer to the section “1.3 Our commitment to stakeholders”.

The analysis of the matters raised through the various channels of dialogue with stakeholders made it possible to collect and consolidate the expectations of the different stakeholder categories, with particular attention to the topic under consideration.

[ESRS_2, DR SBM-3, DP 48c]

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S2	Secure employment	Potential inadequate protection of workers in temporary employment, lacking a contract, or facing non-compliance with contractual terms, leading to insufficient safeguards and exposure to financial insecurity.	Potential negative impact	S-M-L	✓	☒	✓
S2	Health and safety	In the construction and maintenance of electricity and gas transmission and distribution lines, workers are exposed to prolonged periods of work at height or underground, the use of heavy machinery, and the risk of electrocution or explosion, which negatively impacts their physical safety and mental wellbeing.	Potential negative impact	S-M-L-	✓	☒	☒
S2	Health and safety	Workers employed in the fuel cell and industrial battery sector are exposed to risks to human health, including solvents, corrosive substances, lead (and its compounds), arsenic (and its compounds), cadmium and sulphuric acid, as well as known or suspected carcinogenic, teratogenic and mutagenic substances. They also face potentially hazardous working conditions that may result in fires, explosions, frostbite burns, and electrocution.	Potential negative impact	S-M	✓	☒	☒
S2	Health and safety	Operation and maintenance (O&M) services for wind farms carried out by third-party providers, including turbine installation, maintenance, monitoring, and repair, are subject to high safety standards due to the inherent hazards of the work, particularly working at height. This poses a potential negative impact on worker safety and the environment.	Potential negative impact	S-M	✓	☒	☒

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S2	Child labour	The employment of child labour, contrary to international law, is a serious concern in high-risk countries with weaker regulatory enforcement. This situation constitutes a serious violation of human rights and harms the proper development of children.	Potential negative impact	S-M	✓	☒	☒
S2	Forced labour	Forced labour, which violates international law, is a major concern in high-risk countries where regulatory enforcement is weak. Notably, this includes components originating from China and materials used in solar panel production. This situation is a serious violation of human rights and harms the health and safety of workers.	Potential negative impact	S-M	✓	☒	☒
S2	Confidentiality	Failure to protect personal data due to the rise of cybercrime and/or lack of measures to ensure cybersecurity.	Potential negative impact	S-M	✓	☒	✓

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ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S2	Health and safety	Workplace accidents in cases of contracting or subcontracting due to ineffective supervision by managers or contract representatives, which could lead to reputational and financial damage (such as legal disputes and extra costs for finding new suppliers)	Risk	S-M-L	✓	☒	☒
S2	Secure employment	Poor management of supplier relationships and failure to monitor social issues (such as unpaid overtime, insecure work contracts, etc.) can cause reputational damage and lead to loss of trust from stakeholders	Risk	S-M-L	✓	☒	☒
S2	Child labour	Risk of financial losses or damage that may arise from the violation of the fundamental rights of working-age individuals. This risk arises when suppliers and business partners fail to comply with current regulations prohibiting child labour. Failure to comply with such regulations can lead to serious financial consequences and damage to the company's reputation. This situation could pose a risk to Magis in terms of supply disruption and impact on its production activities.	Risk	S-M-L	✓	☒	☒

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S2	Forced labour	Risk of financial loss or damage arising from violations of fundamental rights in the workplace. This risk arises when suppliers and business partners fail to comply with current regulations prohibiting forced labour. Failure to comply with such regulations can lead to serious financial consequences and damage to the company's reputation. This situation could pose a risk to Magis in terms of supply disruption and impact on its production activities.	Risk	S-M-L	✓	☒	☒
S2	Confidentiality	Failure or inadequate management of confidentiality and data protection regulations (GDPR 679/2016) that could lead to litigation with a critical financial impact on the Group	Risk	S-M	✓	☒	☒

[ESRS_2, DR SBM-3, DP 10, 10b, 11, 11b, 11c, 11e, 12, 13]

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

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

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

3.2.2 Impacts, risks and opportunities management

[ESRS_S2, DR S2-1, DP 17a, 17b, 17c, 18, 19]

[ESRS_2, MDR-P, DP 65 a, 65 b, 65 c, 65d, 65e]

To manage impacts, risks, and opportunities related to workers in the value chain, the Magis Group promotes responsible management throughout the entire supply chain by adopting targeted policies that reflect a strong commitment to human rights protection and compliance with international regulations. These principles are clearly stated in the Code of Ethics, which is binding for the conduct of all those who take part in the Group's business organisation, in the Sustainability Management Policy and in the Policy for the protection of human rights[39], in which Magis reaffirms its commitment to reject any form of forced, slave, or child labour and to ensure working conditions comply with current legislation, including among its partner and suppliers.

The above-mentioned Policies, which apply to the Parent Company and its subsidiaries, were approved by the Board of Directors of the Parent Company upon proposal by the Chief Executive Officer, who is responsible for drafting and periodically updating them with the support of the Company's Finance & Control Department.

The analysis of the issues that emerged through the various channels of engagement with stakeholders made it possible to gather and consolidate the expectations of the different categories of stakeholders, with particular attention to the topics in question.

To ensure effective implementation of the above-mentioned Policies, they are circulated to all Group companies so that they may acknowledge and adopt them. Furthermore, with a view to ensuring transparency and collaboration with stakeholders across the Value Chain, the information is communicated to all stakeholders through dedicated communications and publication on the Magis Group Parent Company's corporate website, in the section dedicated to sustainability (https://www.gruppomagis.it/sostenibilita).

The implementation of the Policies is monitored by reviewing reports and verifying corrective actions. In the event of a violation, specific protocols proportionate to the severity are activated, including possible disciplinary action.

To date, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises have been reported within the Group's upstream and downstream value chain.

[ESRS_S2, DR S2-4, DP 36]

In the same period, no serious incidents relating to human rights connected to the value chain were reported.

39 The European and national regulatory framework that the Magis Group refers to for the implementation of the Policy for the protection of human rights consists of the guidance issued by the United Nations Global Compact (UNGC); the Sustainable Development Goals (SDGs); the ILO Conventions (International Labour Organization); the OECD Guidelines for Multinational Enterprises (Organisation for Economic Co-operation and Development); the Universal Declaration of Human Rights adopted by the United Nations General Assembly; the guiding principles for the promotion of gender equality – Women's Empowerment Principles (WEPs); the Guiding Principles on Business and Human Rights – Implementing the United Nations "Protect, Respect and Remedy" Framework; the European Convention on Human Rights; and the General Data Protection Regulation (GDPR) – Regulation (EU) 679/2016.

SUPPLIERS' CODE OF CONDUCT

As evidence of the Magis Group's commitment to managing a sustainable supply chain, during the 2025 financial year Magis defined and adopted its Suppliers' Code of Conduct, valid at Group level, with the aim of building, with its partners and suppliers, relationships based on transparency, integrity and collaboration, and of ensuring the adoption of high standards in terms of environmental and social sustainability and respect for the principles of fairness and transparency in the management of business relationships.

The Code applies to all suppliers, contractors and partners that work with the Magis Group and sets out minimum standards that must be respected throughout the performance of activities, including environmental protection, social responsibility and governance principles.

As part of its relationship with suppliers, the Magis Group reserves the right to monitor suppliers' compliance through audits, assessments and self-reporting: non-compliance with the requirements may lead to corrective actions which, in the most serious cases, may also result in termination of the contractual relationship in place.

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

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

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

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

The internal rules of awards of contract and performance are also inspired by the legislative principles of proportionality, rotation, non-discrimination and equal treatment between economic operators.

[ESRS_G1, DR G1-2, DP 15a]

In order to ensure transparent and effective management of the procedures for awarding works, services and supplies, the Magis Group has established the "Procurement Portal", a tool for communicating and interacting with suppliers, available on https://www.gruppomagis.it/fornitori.

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

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

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

[ESRS_S2, DR S2-3, DP 27 a]

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

[ESRS_G1, DR G1-2, DP 15b]

The inclusion in the Supplier Register is, in any case, subject to the prior acceptance of and compliance with the Integrity Pact, the Suppliers' Code of Conduct, the Code of Ethics and the Organisation, Management and Control Model adopted pursuant to Italian Legislative Decree no. 231/2001, which constitute the necessary and indispensable prerequisite for contracting with the Magis Group.

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

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

Magis favours the selection of qualified and reliable suppliers and, wherever possible, suppliers located within its local area of operation. Support for local production is, in fact, an integral part of the Group's commitment to the communities where it operates, in order to foster the development of the local economy, promoting the creation of shared value.

As of 31 December 2025, the Group has not identified any significant events related to negative impacts directly or indirectly caused to workers within its value chain.

[ESRS_S2, DR S2-3, DP 27b, 27c, 27d]

Magis also makes specific channels available to workers in the value chain for reporting issues or relevant needs in relation to human rights, working conditions or other sensitive matters. These channels include the Group's whistleblowing channel, established and managed by Magis and accessible in compliance with the requirements of confidentiality, protection of the reporting person's identity and prohibition of retaliation, in accordance with applicable legislation.

If potential impact areas are identified, Magis commits to addressing any adverse situations and managing them promptly, in accordance with the Reporting Policy adopted by the Magis Group in compliance with Italian Legislative Decree 24/2023 (the so-called Whistleblowing Decree).

Gestione degli appalti

[ESRS_S2, DR S2-3, DP 27 a]

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

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

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

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

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

[ESRS_2, MDR-A, DP 68 a, 68 b, 68 c]

[ESRS_S2, DR S2-4, DP 32 a, 32 b, 32 c, 32 d, 33 a, 33 b, 33 c, 34 a, 35, 36, 38]

[ESRS_2, MDR-T, DP 80 a, 80 b, 80 c, 80 d, 80 e]

[ESRS_S2, DR S2-5, DP 41]

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

In 2025, as part of the development of the new Business Plan and ESG Plan the Magis Group outlined a series of actions and objectives to promote sustainable practices throughout the value chain and strengthen the protection of the rights of the workers involved.

At the core of this approach is the implementation, from 2026 onwards, of a supplier evaluation system that includes ESG performance metrics and takes them into account as preferential elements in qualification, selection and contract renewal procedures. The system will be supported by a Group Responsible Sourcing Policy which defines the social, environmental and ethical assessment criteria, promotes the adoption of recognised standards to protect workers – for example SA8000 or PAS 24000 – and governs the Group's expectations in terms of safe working conditions, respect for human rights, working hours and fair pay, freedom of association, non-discrimination and the responsible management of subcontracting. In the event of actual critical issues, the Policy will provide for the activation of improvement plans with defined timelines, the monitoring of corrective actions and, where necessary, the suspension or termination of the business relationship. To ensure the effectiveness of remediation measures, the Group will strengthen its reporting channels and non-compliance management processes, ensuring that reports can be received and handled with guarantees of confidentiality, traceability and timeliness.

In terms of preventing and mitigating negative impacts, the integration of social criteria into procurement processes makes it possible to identify risk situations at an early stage and steer purchasing decisions towards suppliers that demonstrate responsible behaviour towards their workers.

VENDOR ACADEMY

Alongside the control tools, the Group has planned, by 2029, to launch a Vendor Academy dedicated to strategic suppliers, with the aim of increasing their maturity on social, environmental and ethical compliance topics. This training infrastructure is designed to address the structural causes of non-conformities, encouraging the stable adoption of responsible working practices and improving, over time, the quality of the services provided by partners.

3.2.3 Metrics and targets

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

As detailed in the previous paragraph, during the current reporting period, following the joint development of the new Business Plan and the ESG Plan, the Group defined a portfolio of initiatives and objectives aimed at strengthening the monitoring and oversight of impacts, risks and opportunities along the value chain. These targets and initiatives were identified, with a view to continuous improvement, through the stakeholder engagement processes carried out in that context, which included dedicated meetings and workshops with opinion leaders and representatives of the main internal and external stakeholders.

As these measures and related targets were introduced in the current financial year, no historical monitoring data are yet available. Progress monitoring will be launched and reported in the next financial years using quantitative and qualitative indicators consistent with the established objectives.

3.3. Affected Communities – ESRS S3

3.3.1 Strategy

[ESRS_2, DR SBM-3, DP 8a, 8b,48a]

The table below presents the impacts, risks and opportunities concerning affected communities that the Magis Group identified and deemed material as a result of the Double Materiality Analysis (DMA) conducted and updated in 2025, as outlined in section 1.4 “Material Sustainability Topics”.

[ESRS_2, DR SBM-2, DP 7, 45 a, 45 b, 45d]

As part of this initiative, the Magis Group adopted a structured stakeholder engagement approach that, over the course of 2025, promoted targeted meetings and workshops involving key opinion leaders and representatives of the Group’s primary internal and external stakeholders. For further details, please refer to the section “1.3 Our commitment to stakeholders”.

The analysis of the matters raised through the various channels of dialogue with stakeholders made it possible to collect and consolidate the expectations of the different stakeholder categories, with particular attention to the topic under consideration.

[ESRS_ 2, DR SBM-3, DP 48c]

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S3	Water and sanitation services	Leachate leakage from landfills can negatively impact local communities’ water and sanitation services, as it may contain hazardous chemicals that, if reaching groundwater, could contaminate drinking water supplies.	Potential negative impact	S-M	☒	✓	✓
S3	Free, Prior and Informed Consent	The lack of involvement and communication with local communities about the acquisition, planning, and construction of buildings and facilities, as well as the management or closure of sites or plants, can lead to negative impacts on communities and social conflicts.	Potential negative impact	M-L	✓	✓	☒

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

[ESRS_2, DR SBM-3, DP 9a, 9b, 9d, 10, 11]

Within the framework of the Double Materiality Analysis, Magis carried out a mapping of its value chain, identifying the local communities impacted by its own operations and by the activities of stakeholders operating upstream and downstream. The analysis revealed that significant negative impacts and risks mainly affect communities living or working near the company's and suppliers' operational sites.

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

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

3.3.2 Impacts, risks and opportunities management

[ESRS_S3, DR S3-1, DP 15]

Magis supports the development and economic growth of the communities in the areas where it operates by creating employment opportunities, supporting local employment and, where possible, operationally consistent and economically advantageous, giving preference to the selection of local suppliers.

Although it currently does not have a specific policy on managing relations with affected communities, the Code of Ethics of the Group provides certain key references and underlying principles, recalling the Group's commitment to contribute to the development of the area and to operate in respect of stakeholders' interests, including those of local communities potentially impacted by its activities. These principles guide the Group's actions and also constitute the reference values framework for the social and territorial initiatives promoted.

In this context, the Group is committed to enhancing not only the economic, but also the social and cultural development and well-being of the communities in which it operates, through sponsorships and donations, investing in projects capable of generating a positive impact on people. The initiatives in the area, partly funded by Magis, aim to protect and enhance the historical and cultural heritage, as well as to promote education and training for young people in the fields of academics, music, and sports.

[ESRS_S3, DR S3-3, DP 27a, 27b, 27c, 27d]

The Magis Group is committed to ensuring ongoing and structured dialogue with its stakeholders, including through the support and participation in local events.

In this context, Magis also makes specific channels available to affected communities for reporting issues or relevant needs. These channels include the Group's whistleblowing channel, established and managed by Magis and accessible in compliance with the requirements of confidentiality, protection of the reporting person's identity and prohibition of retaliation, in accordance with applicable legislation.

If potential impacts or areas of attention are identified, Magis commits to addressing any adverse situations and managing them promptly, in accordance with the Reporting Policy adopted by the Magis Group in compliance with Italian Legislative Decree 24/2023 (c.d. Whistleblowing Decree), available to all stakeholders on the Group's website.

The Channel Manager is tasked with diligently following up on each report, carrying out a preliminary verification of the facts presented, ascertaining the existence of the reported circumstances, assessing the outcomes of the investigation activities and promoting any consequent measures.

[ESRS_S3, DR S3-4, DP 36]

Through these channels, during the year, no human rights incidents were reported in the local communities near the facilities and operational areas.

[ESRS_2, MDR-A, DP 68 a, 68 b, 68 c]

[ESRS_S3, DR S3-4, DP 32a, 32b, 32c, 32d, 33a, 33b, 33c, 34a, 34b, 35, 38]

During the current financial year, following the joint development of the new Business Plan and the ESG Plan, the Group has planned to launch a strategic engagement plan designed to support 100% of new markets through preliminary listening and involvement initiatives, in order to identify in advance any critical issues related to community expectations, the perceived quality of service or the potential impacts of commercial activities.

At the same time, the plan is intended to enhance opportunities such as understanding the needs of the local areas, strengthening community trust and promoting ongoing dialogue based on shared objectives. Implementation of the plan will start in the areas of greatest interest, such as Padova, northern Lombardy and Emilia-Romagna.

This initiative was identified, with a view to continuous improvement, through the stakeholder engagement processes carried out in that context, which included dedicated meetings and workshops with opinion leaders and representatives of the main internal and external stakeholders.

[ESRS_2, MDR-A, DP 69a, 69b]

During 2025, in line with the commitments described above, the Group also played an active role in promoting and supporting several significant cultural, sporting, social, musical and environmental events of both local and national importance, with a financial commitment of Euro 1.6 million.

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

The criteria adopted for the allocation of financial resources through sponsorships and donations comply with the principles set out in the "Guidelines for the Management of Sponsorships and Donations" and in the "Guidelines for the Award of Contributions" of the Fondazione AGSM AIM.

AGSM AIM Foundation

The AGSM AIM Foundation commenced its activities in 2025 with the objective of supporting development projects for the territories and communities of Verona and Vicenza in the social, educational and cultural fields, while also placing particular emphasis on environmental sustainability. The Foundation's activities are specifically structured around three areas of intervention: "Energy for Education", "Energy for the Community" and "Energy for Culture".

Over the course of the year, the AGSM AIM Foundation published two funding calls; the first focused on supporting projects in which sport serves as an instrument for social inclusion, while the second supported initiatives in the field of performing arts - including theatre, dance, music and circus arts - specifically aimed at young people aged 12 to 24. Through these initiatives, The AGSM AIM Foundation supports local organisations capable of creating innovative networks and producing positive impacts for communities.

Social Initiatives

During 2025, the Magis Group participated in numerous solidarity initiatives in favour of people and families in difficulty, becoming a reference point in the social sustainability of the Verona and Vicenza area. The Magis Group also supported numerous associations and social promotion initiatives, including "Ci sto Affare Fatica", "La Grande Sfida", the women's self-defence courses of Usacli APS of Verona, and the "Questo non è amore" and "Orange the world" campaigns in collaboration with the Verona Police Headquarters.

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

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

"Questo non è amore"

The Magis Group supported the Italian State Police's institutional campaign "Questo non è amore," a project promoting concrete actions and initiatives locally to combat all forms of violence against women.

Cultural Initiatives

The Magis Group was among the main partners and supporters of numerous cultural initiatives and associations, including "èVRgreen Week" 2025, "Believe Film Festival", "Cinelà – 44° Festival di Cinema Africano e Oltre", the "21' Edizione del Festival Biblico", Fiera del Riso, "Una Basilica di libri" and Tocatì.

Tocatì - International festival of street games

The Magis Group supported and actively participated in the twenty-third edition of Tocatì – International Festival of Street Games.

The Festival, organised by the Associazione Giochi Antichi (AGA), adopts a sustainable management system certified in accordance with the ISO 20121 international standard "Sustainable event management", which defines the sustainability requirements for the event and all related activities.

Magis staff welcomed children to their stand, offering sustainability-themed games and activities. Hundreds of children, and not only children, enjoyed "VOLTami", the memory game that introduced them to the Group's power generation plants, as well as "Play with AGSM AIM", a booklet featuring crosswords, mazes and many other activities focused on the world of energy and the environment. These were followed by "AGSM AIM Goals", an interactive game designed to explore the Sustainable Development Goals to which Magis contributes.

Fiera del Riso - Rice Festival

In 2025, Fiera del Riso was able to count on Magis' support as green energy partner. The event was powered entirely by energy from certified renewable sources, a choice that made it possible to achieve a tangible reduction in the event's environmental impact.

Musical Events

The Magis Group supported numerous musical associations and initiatives, including the "Festival Vicenza in Lirica", "Verona Piano Festival 2025", "Società del Quartetto di Vicenza ETS", "Incontro sulla Tastiera" and "Spazio e Musica".

Sporting Events

Magis, long committed to supporting sport as an expression of clean energy values, provided support throughout 2025 to several sports clubs in the Verona and Vicenza regions, including amateur organisations and associations for people with disabilities. Among the main sponsorships in 2025 are Scaligera Basket, Giro del Veneto, Sport Expo, StraVerona, StraVicenza.

Scaligera Basket

Magis and Scaligera Basket, linked by a partnership launched in 2024 and continued in 2025, jointly developed numerous social projects, including "Diventa un Gigante", to introduce the ethics of sport and basketball to primary and lower secondary school children, and "We Want Some Basket", which involved boys and girls in vulnerable situations, who were offered a shared space to grow together, overcome differences and develop new skills.

AGSM AIM Educational

Magis' educational programme, ranging from guided tours of facilities to classroom lessons, focuses in particular on renewable energy, energy saving and the importance of safeguarding the natural ecosystem, covering all student age groups.

Teaching Day

The Magis Group took part, in September 2025, in the "Teaching Day" event, now in its 23rd edition, organised by the Municipality of Verona. It was an opportunity to provide teachers and families with information and materials about guided tours organised by Magis to its energy production plants and the educational lessons conducted directly in the classroom.

Guided Tours of Production Facilities and Educational Sessions

Again in 2025, Magis opened its energy production plants, including the Rivoli wind farm, the Borgo Trento cogeneration plant, the Chievo dam and the Tombetta hydroelectric facility, to local schools. The students were welcomed by Magis staff who illustrated, following a didactic path, the peculiarities and characteristics of the various systems. A kit of eco-sustainable gadgets was designed for all the visitors and handed out at the end of the visits.

In addition, Magis organised educational workshops in classrooms aimed at exploring topics such as recycling raw materials, energy processes and how the energy that reaches homes every day is generated. During the laboratories only waste materials were used to make small useful products.

Overall, around 3,000 pupils participated in the "AGSM AIM Educational" learning project during the 2024–2025 academic year.

Green Day

On 20 December 2025, the Group organised Green Day at the Risorgive del Bacchiglione park in Dueville (VI), an occasion dedicated to employees and their families to experience first-hand a natural environment of great value. The initiative brought together nature, creativity and sharing, strengthening the bond between people and the local area. A simple but meaningful experience, which highlighted the importance of living in and respecting natural spaces.

Awards and Recognitions

Credit Reputation Award and Felix Industry Award

The Magis Group confirmed its position among the most solid and reliable players in the Italian industrial landscape, winning, in 2025 and for the second year in a row, two important awards: the Felix Industry Award and the Credit Reputation Award.

The Industria Felix award, presented by the economic and financial magazine "Industria Felix Magazine" as a supplement to "Il Sole 24 Ore," honours the most competitive companies in terms of management and finance. The Group's sales company, Magis Energia, received this award for being "among the best companies in the energy and utilities sectors for managerial performance and Cerved financial reliability, with registered office in the Veneto region".

The Credit Reputation Award, assigned by MF Centrale Risk – a company specialised in credit analysis – recognises businesses that stand out for punctuality, reliability, transparency and consistency in their dealings with banks and financial intermediaries. The award was given to Magis S.p.A. based on a specific evaluation model that analysed the periodic reports submitted to the Central Credit Register of the Bank of Italy.

"Emergency Response 2025" Award

The project "Il GIS della Protezione Civile di ANA", created through collaboration between Magis and the Verona Section of the Associazione Nazionale Alpini, won the "Emergency Response 2025" award, presented as part of the Esri Italia Conference 2025, the leading national event dedicated to geospatial technologies and geographic information systems (GIS). The project stood out as the most innovative and effective solution in emergency management using GIS systems.

HR Innovation IMPACT Award and the "PA Aumentata" Award

The ON-VOLT onboarding project developed by Magis to support new hires during their first months of employment received two national awards, establishing itself as a best practice in the field of HR innovation and organisational transformation. The project combines digital tools with in-person sessions, with the aim of facilitating the integration of new people, conveying the Group's values and promoting an advanced organisational culture focused on participation and shared growth.

Events

Green Energy Day

Magis took part in Green Energy Day 2025, the national event dedicated to the energy transition, renewable energy and energy efficiency, organised by the FREE Coordination (Renewable Sources and Energy Efficiency) in collaboration with the leading industry associations.

The event, held in April 2025 and open to citizens, institutions and businesses throughout Italy, aimed to raise awareness of the importance of clean energy and its crucial role in combating climate change. On this occasion, Magis offered the public the opportunity to discover the Rivoli Veronese (VR) wind farm.

"Wind power and biodiversity" Conference

On the occasion of the twelfth year of operation of the Rivoli Veronese wind farm, Magis and Legambiente organised the conference "Wind Power and Biodiversity". Twelve years of successful coexistence". During the event, topics concerning coexistence between wind power and biodiversity were explored in depth, highlighting how environmental sustainability and clean energy production can coexist harmoniously with the local area.

How a wind farm is born

Presentation of the 2025-2030 Business Plan

The Magis Group organised two public events in Verona and Vicenza to engage citizens, stakeholders, associations and local organisations during the final phase of the process leading to the definition of the new 2025–2030 Business Plan. The meetings aimed to share with the community the content and visions that emerged during the months of discussion, gather insights and reflections on the key themes of the plan – ranging from the energy transition to innovation, from social impact to the role of utilities in the future development of local areas – and involve people in the project that will guide the Group in the coming years.

Energy Convention

At the end of the year, Magis Energia organised two conventions to provide an opportunity for discussion and exchange with its business partners and resellers. These events provided an opportunity to explore the future of the energy sector, present the digital transformation journey undertaken by the Group's commercial company and strengthen relationships with its partners, who are essential in ensuring widespread customer support.

Magis

During the 2025 Christmas party, which brought together over seven hundred Group employees, the new "Magis" brand was officially presented. Developed through a complex process lasting more than one year, the new brand completed a reflection on the Company's identity, redefining its mission, vision and purpose. Magis, created by recombining the letters of the previous name AGSM AIM, in Latin means "more", but also "beyond", "towards the best", and evokes progress, ambition and transformation. It guides and accompanies stakeholders into a new brand story built upon more than a century of history.

External Communication

2025 was a year of particular strategic importance for the Group, marked first by the launch of the 2025-2030 Business Plan and then by the presentation of the new "Magis" brand. In this context of evolution, the Strategic Communication and Marketing Department supported the entire journey from the outset, with the aim of clarifying the strategic drivers of the new Business Plan, enhancing the development directions and strengthening the link between the Group's long-term vision and its new identity.

The main external communication initiatives during the year included:

- the communication campaign "District heating. Heat that respects Verona and Vicenza" to inform the citizens of the cities of Verona and Vicenza about the environmental, energy and social benefits of the service.
- the communication campaign "Another hundred years and beyond", a central element of the Group's institutional narrative, which highlighted its history and presence in its areas of origin, while at the same time projecting them into the future.

During 2025, supported by intense internal and external stakeholder engagement work, the Group's new identity was defined, with the development of values, mission, vision and purpose, providing a shared framework of reference for communication activities and future strategic actions.

The identity evolution journey culminated in the presentation of the new "Magis" brand, accompanied by extensive external communication activities, which will continue and reach their peak during the 2026 financial year.

AGSM AIM becomes Magis
Wellcome Transition

Throughout 2025, communication activities supporting the initiatives and projects developed by the Group and its Business Units continued, together with the management of events, educational programmes, websites and social media, as well as sponsorship and donation activities.

In 2025, around 71 press releases were produced, generating an AVE (Advertising Value Equivalency) of Euro 10.6 million. In 2024, 85 press releases were issued and generated an AVE value of Euro 6.9 million.

3.3.3 Metrics and targets

[ESRS_2, MDR-T, DP 81]

Social issues lie at the heart of the Magis Group's sustainability strategy, which not only commits to respecting the rights of local communities involved but also aims to create a positive impact on people, communities, and the territories in which it operates. This commitment will be further strengthened through the definition, in future reporting periods, of specific quantitative targets relating to the topic.

3.4. Consumers and end users – ESRS S4

[ESRS_2, DR SBM-2, DP 8]

[ESRS_2, DR SBM-3, DP 9a, 9b]

[ESRS_2, DR SBM-3, DP 48a]

The table below presents the impacts, risks and opportunities concerning consumers and end users that the Magis Group identified and deemed material as a result of the Double Materiality Analysis (DMA) conducted and updated in 2025, as outlined in section 1.4 "Material Sustainability Topics".

As part of this initiative, the Magis Group adopted a structured stakeholder engagement approach that, over the course of 2025, promoted targeted meetings and workshops involving key opinion leaders and representatives of the Group's primary internal and external stakeholders. For further details, please refer to the section "1.3 Our commitment to stakeholders".

The analysis of the matters raised through the various channels of dialogue with stakeholders made it possible to collect and consolidate the expectations of the different stakeholder categories, with particular attention to the topic under consideration.

[ESRS_2, DR SBM-3, DP 48c]

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S4	Confidentiality	Impact related to the loss of sensitive data and information of customers and commercial partners, and the breach of their confidentiality.	Potential negative impact	S-M	☒	✓	✓
S4	Access to (quality) information	The adoption of smart applications, enabling real-time monitoring of consumption, and the implementation of home automation solutions can have a positive impact by educating customers towards more conscious and sustainable consumption, improving energy efficiency, and reducing waste.	Potential negative impact	S-M	☒	✓	✓

Risultati dell'analisi di rilevanza finanziaria

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
S4	Access to (quality) information	Opportunity linked to the development and implementation of digital solutions to enhance operational efficiency (for example, through network digitisation) and the customer experience, improving customer satisfaction and loyalty, and promoting the development of new services and offers aligned with evolving consumer needs and behaviours.	Opportunity	S-M-L	☒	✓	☒

[ESRS_2, DR SBM-3, DP 10a, 10b, 10c, 10d, 11, 12]

The significant negative impact identified concerns users of Magis's services, who may be exposed to potential risks related to the confidentiality and protection of personal data. These are isolated, non-systemic events that fall within incident scenarios and are managed through appropriate control measures.

The positive impact, on the other hand, affects the entire customer base and is evident in improved service accessibility as well as support for the sustainable transition. This impact is closely linked to the opportunity to increase operational efficiency and optimise the user experience, also thanks to the growing digitisation of processes.

The projects initiated by the Group, described in the following paragraphs, have enabled these aspects to be managed in a comprehensive manner, benefiting all customer categories.

3.4.1 Strategy

The Magis Group pays close attention to the needs of its customers, consistently striving to provide high-quality, safe and reliable services, acting with flexibility and responsiveness to meet customer expectations, and adopting professional, fair and transparent communication practices.

Through the activities carried out in its Business Units, the Magis Group guarantees its customers equal rights, equal treatment and non-discrimination. The Group is highly committed to rendering information about its services simple and readily available. These are the key underlying principles that the Group follows in order to ensure that customer relations are long-lasting, through the adoption of a variety of channels of communication with customers.

The Group has undertaken to comply with general and specific quality standards, and to constantly improve the services provided through technological, organisational and procedural solutions designed to further the effectiveness and efficiency of its operations.

3.4.2 Impacts, risks and opportunities management

[ESRS_S4, DR S4-1, DP 15]

Although the Group does not currently have formalised policies dedicated to the management of impacts, risks and opportunities related to customers, a structured set of operational practices aimed at their protection has long been in place, including enhancing support channels, reducing waiting times, digitisation of services and strengthening local presence. The initiatives described in the following paragraphs demonstrate a widespread approach to customer care and management.

The Group's retail services for the supply of electricity, gas and heat

The commercial companies of the Magis Group's Market Business Unit carry out sales and after-sales activities for the supply of electricity, natural gas and heat (district heating service) for different types of customers.

In addition to Magis Energia and CogasPiù Energie, from 10 November 2025, thanks to the acquisition of the Global Power Group, comprising Global Power S.p.A. and Global Power Plus S.r.l., the Magis Group expanded the number of commercial companies within the Market Business Unit dedicated to the sale and post sale of electricity and natural gas, strengthening its presence in the utilities market.

During the 2025 financial year, the Market Business Unit supplied electricity, natural gas and heat to a total of approximately 937 thousand customers, distributed proportionally among the Group's commercial companies as shown in the following figure. The total number of customers as at 31 December 2025 also includes 55 thousand "new" customers served by the recently acquired subsidiaries Global Power and Global Power Plus.

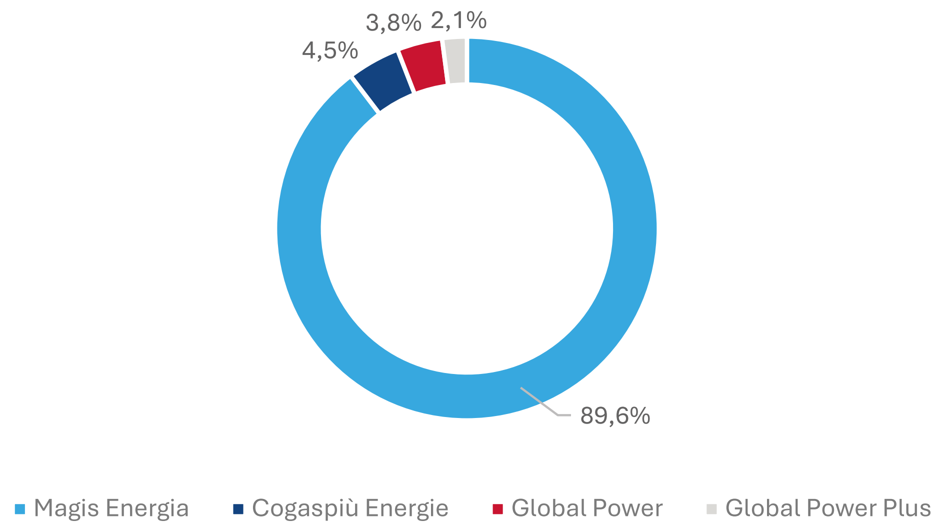

Figure 31 – Distribution of customers served by the Group's commercial companies (%)

The focus on the local area and the community is confirmed by the type of customers served, which is predominantly residential in terms of the supply of electricity (66.2%), gas (84.9%) and the district heating service (66.5%). The remaining components of the customer portfolio are variously distributed among Large Account (i.e. energy-intensive customers such as commercial businesses, industries, etc.), Public Administration bodies and the so-called Reseller (i.e. energy and gas resellers).

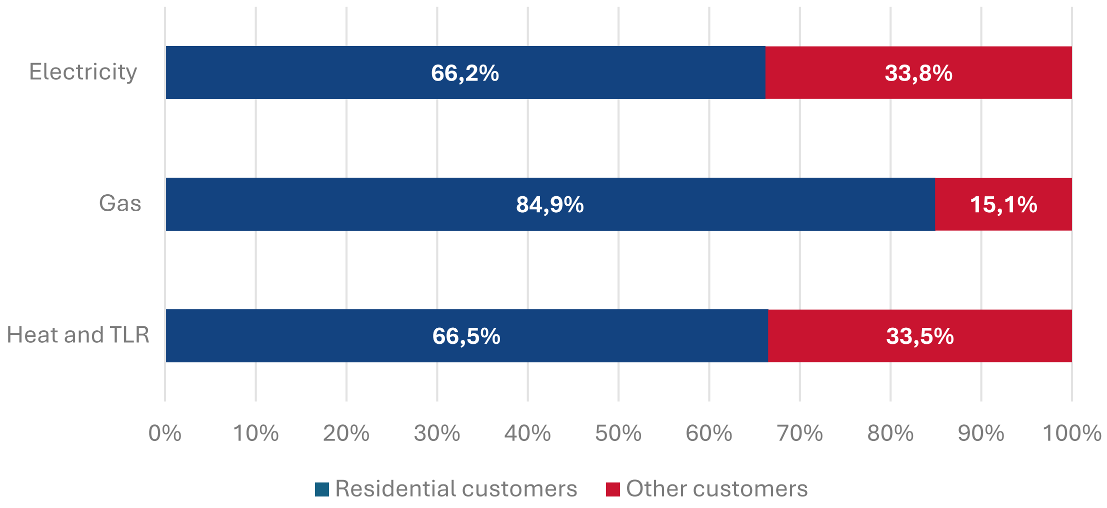

Figure 32 – Distribution of residential customers as a percentage of the total (%)

Table 62 – Distribution of customers by type of supply (no.)

Energy customers	2025	2024
Electricity	597.156	563.348
Gas	336.734	326.312
Heat (*)	2.931	2.944
Total	**936.821**	**892.604**

(*) Customers of the district heating service

The commercial campaign of the Group companies is aimed at strengthening their identity within their reference territories (Veneto and Abruzzo), while also further expanding their presence in other Italian regions through sales agencies and partnerships with trade associations operating throughout Italy. The geographical spread of customers clearly highlights the strong local link with the inhabitants of the Veneto Region, where the Group originated and where the customer base is concentrated (41.4%).

Table 63 – Geographical distribution of customers (%)

	Electricity		Natural gas	
Geographical distribution of customers (*)	2025	2024	2025	2024
Veneto	41,4%	44,2%	63,3%	67,9%
Abruzzo	1,8%	1,8%	4,3%	4,0%
Other (to be specified)	56,7%	54,1%	32,4%	28,0%

(*) Net of district heating customers

ESRS_S4, DR S4-2, DP 20a, 20b, 20c, 21]

[ESRS_S4, DR S4-3, DP 25a, 25b, 25c]

The Group is present locally with 20 commercial desks, distributed between Veneto (18), Abruzzo (1) and Lazio (1). In support of the network of desks, the Market Business Unit also relies on the support of 136 sales agencies operating nationwide: 74 for Magis Energia, 18 for CogasPiù Energie, 15 for Global Power and 29 for Global Power Plus.

In order to ensure a widespread presence in the area, thanks to the partnership with local businesses, Magis Energia makes 8 indirect stores (Magis Shop) available to its customers where it is possible to request advice on bills or sign up to the commercial offers proposed by the Group.

In addition, in the 20 commercial desks, numerous information leaflets are available concerning the self-reading service, digital services, consumer education campaigns and a host of promotions active in the electricity and natural gas market.

In support of information and assistance activities, the Group developed the “Magis al Volante” campaign aimed at providing assistance to Magis customers – and not only – for everything related to the world of electricity and gas thanks to the camper used as a real “mobile office”. The mobile desk visits in several locations in the province of Verona, covering the most important markets in the area, according to a dense and constantly updated calendar.

Access to the commercial desks located in Vicenza and Treviso is allowed only by appointment to be made through the website or by calling the toll-free number 800 226 226. This makes it possible to eliminate customer waiting times for handling the relevant files. On the other hand, in the desks located in Verona and the province, an appointment is not required. In any case, for urgent requests or for elderly or disabled people, "traditional" handling is always guaranteed, allowing access to the desk without booking.

During the reporting period, the Magis Group's commercial desks served 67,899 customers, recording a reduction of -14% compared to the previous year. This decrease is mainly due to two factors:

- the phase-out, as from September 2025, of the queue of users related to water services at the Verona Desk, customers of Acque Veronesi, served by the Magis Group under a service agreement that has now ended;
- the failure to record, in the first quarter of 2025, the customers who visited the CogasPiù Energie desks following the change in the case management software application, which was activated at the beginning of April.

From September 2025 onwards, the Verona, Vicenza and Treviso customer service offices adopted the new Qmatic queue management application, which also allows the measurement of average waiting times at the Vicenza and Treviso branches, a functionality not provided by the former system.

The subsidiary CogasPiù Energie has also eliminated waiting times at the desk thanks to adopting a system of customised appointments exclusively for the desk dedicated to bill payments.

The average waiting time at the desks recorded during the current financial year is shown in the table below.

Table 64 – Average waiting time at desks without an appointment

Average waiting time (Min)	U.M.	2025	2024
Verona desk - Single queue	Minuti primi	08:38	05:36
CogasPiù Energie desk - Payment queue	Minuti primi	02:26	02:50

Through the digital Customer Area and dedicated applications, customers can access the online service desk through which, during the reporting year, 146,458 requests were managed (equal to a -91 % decrease compared with the previous year), representing 44.4% of all requests handled by the sales companies.

The decrease in the number of cases compared to the previous financial year is attributable to the procedural change introduced in the management of signed contracts. Until September 2024, in fact, each new request generated a case in the IT system, whereas with the adoption of the new procedure, the entire data verification and entry process is managed directly in the Customer Relationship Management (CRM) system, without generating individual cases.

In addition to desks, the Magis Group companies provide customers with the call centre service, which in the 2025 financial year received 412 thousand calls (95% of which were successful), with an average waiting time of 151.2 seconds.

The volumes of calls received and the average waiting times are presented in the table below.

Table 65 – Call centre service performance

Call centre service	Number of calls (no.)	Average response time (min.)
Magis Energia S.p.A.	364.926	02:44
COGASPIU' Energie	18.350	02:09
Global Power S.p.A.	4.165	00:00
Global Power Plus S.p.A.	24.576	00:00

Furthermore, in 2025, 234 video calls were handled through InFace, the video call assistant service that allows the execution of all contractual transactions, using face-to-face assistance with an operator.

By accessing the Customer Area and the “Magis Energia” application, both renewed during the previous financial year, customers can independently manage contractual procedures, activate direct debit payments, request invoice delivery by e-mail, and update their contact details and addresses.

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68e]

[ESRS_S4, DR S4-4, DP 31c]

Through the app dedicated to Magis Energia customers, it is possible to carry out operations such as monitoring consumption through special graphs and self-reading of the gas meter so as to reduce consumption estimates in bills.

From the Customer Area it is also possible to access the historical archive of one’s own bills containing the main summary data such as amount, date of issue and due date. Customers may also pay their bills securely by using the Nexi, PayPal and MyBank platforms, ensuring maximum security for all transactions. By activating notifications within one’s own account, it is also possible to receive due notices.

Finally, a special section dedicated entirely to condominium administrators has been implemented in the new digital channels in order to help them when consulting the contracts they manage.

With reference to the subsidiary CogasPiù Energie, by accessing the Customer Area of the website www.cogaspiu.it, customers can independently send multiple requests for contract management by filling out and sending the prepared forms, self-read their consumption, consult the history of their bills and switch from sending paper bills to digital ones.

With reference to the recently acquired companies, Global Power S.p.A. and Global Power Plus, it should be noted that by accessing the Customer Area of their respective websites (www.globalpower.it and www.globalpowerplus.it), it is possible to carry out numerous operations independently.

In particular, the platforms enable the management of the main contractual and administrative aspects, including consultation of invoice and consumption history, entry of self-readings, changes to personal details, payment methods and bill receipt, as well as the submission of requests or complaints.

Although there are some functional differences, the Customer Areas of the two sales companies are overall aimed at ensuring complete, efficient and transparent management of the contractual relationship, helping to provide their customers with a smooth and accessible experience.

Table 66 – Customers served at the desk[40]

Customer served at the desk	U.M.	2025	2024
Customers served at the desk (Ticket)	Number	67.899	78.979
Average number of customers served per desk	Number	3.395	4.936
Cases submitted via the online desk	Number	146.458	280.387
Desk files percentage	Percentage	37,7%	66,1%

Table 67 – Call centre calls

Call centre calls	U.M.	2025	2024
Calls received by the company call center	Number	18.350	477.028
Average time to answer received calls	Seconds	129	119

For natural gas and electricity supplies, the Magis Group's sales companies issued a total of approximately 4.7 million invoices, of which around 2.7 million were in electronic format, representing 57.4% of the total invoices issued by the Group (excluding the recently acquired Global Power Group).

The service for sending invoices in electronic format, called Bollettaelettronic@ and Vi@Mail, eliminates paper invoices, giving customers the advantage of always having their invoices available in digital format.

The electronic invoices sent to customers by email during 2025 made it possible to save a total of 80.5 tonnes of paper, with a significant environmental benefit.

Table 68 – Invoices issued

Invoices issued	U.M.	2025	2024
Total invoices issued	Number	4.680.395	4.501.539
Electronic invoices issued	Number	2.684.258	2.437.817
Percentage of electronic invoices issued	Percentage	57,4%	54,2%

Every invoice, including previous invoices, is always available to customers through a convenient digital archive accessible via the App and the Customer Area of each commercial company within the Market Business Unit.

Via the Customer Area of the websites and the dedicated apps, the Magis Group also gives its customers the possibility of paying invoices by credit card or activating payment via SEPA (Single Euro Payments Area) direct debit, facilitating the customer, reducing the movement and printing of documentation, with consequent saving of paper and mailing services.

During 2025, 160 thousand invoices were paid through websites and smartphone apps, up by 3.5% compared to the previous year.

40 It should be noted that the data relating to customers served at the desk for FY 2024 were recalculated in order to ensure methodological consistency and correct comparability with FY 2025.

Table 69 – Invoice payment methods

Payment methods used (%)	U.M.	2025	2024
SEPA direct debit	Percentage	57,6%	58,5%
Pre-Printed Postal Payment Slips	Percentage	23,0%	25,4%
Collection Orders, Bank Transfers	Percentage	16,1%	12,8%
Cbill - PagoPA	Percentage	1,7%	1,9%
Payment by credit card / debit card	Percentage	1,6%	1,4%

[ESRS_S4, DR S4-3, DP 20d]

With the aim of monitoring the effectiveness of the above-mentioned measures and improving service quality, Magis provides its customers with a Customer Relations Department responsible for handling requests carefully and promptly, including those classified as complaints in accordance with ARERA regulations.

The objective of the continuous monitoring of complaints by the Magis Group is to identify critical issues promptly, defining and implementing appropriate corrective actions, with a view to continuous improvement.

In particular, through a specific system, the Customer Relations department manages written requests from customers that are received through various channels, and automatically sends information on the response methods and timing.

[ESRS_S4, DR S4-3, DP 25d]

The reports received through the various channels of the Magis Group, relating to the energy services offered, amounted to 5,925 and are broken down as follows:

- 49.5% were requests for information;
- 47.8% were complaints;
- 2.8% were billing adjustment requests.

[ESRS_S4, DR S4-3, DP26]

Currently, Magis has no way of checking whether all customers are actually aware of the existence of these channels. However, it ensures their accessibility through appropriate communications and by making all necessary information readily available for their use and for submitting reports. Specifically, a dedicated form for submitting complaints or other written reports is available and can be easily found at the desks or on the websites. Alternatively, customers may directly submit the request from the relevant sections of the websites.

Commercial offers of renewable electricity and measures to protect customers

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68e]

[ESRS_S4, DR S4-4, DP 31a, 31b, 31d, 32b]

The Group’s commercial companies provide diversified energy offers and tariff plans to meet the needs of the various types of customers.

With reference to the supply of electricity, the sales companies of the Market Business Unit have for years promoted the choice to serve end customers in the free market with electricity produced from renewable energy sources, providing the GO (Guarantee of Origin) certification that proves the green source of production.

In this context, during the year Magis Energia launched specific commercial campaigns aimed at domestic customers, in particular:

- MIA FIX LUCE: fixed-price offer for the first 24 months from subscription. The energy supplied is certified as being generated from renewable sources through the Guarantees of Origin system, which ensures that an amount of electricity equivalent to that consumed by the customer has been produced by renewable energy plants.
- MIA LUCE: variable-price offer indexed to the PUN INDEX GME established on the wholesale market. In this case too, the energy is certified as produced from renewable sources through the Guarantees of Origin system.
- PROXIMA LUCE: an offer dedicated to business customers, in the EXTRASMALL, SMALL, MEDIUM and LARGE versions, which provides for the application of a variable price aligned with the PUN INDEX GME and the supply of energy certified as produced from renewable sources through the Guarantees of Origin system.

For electricity, alongside the new offers launched in 2025, the following offers also remain active for households:

- PURA LUCE: fixed-price offer for one year, with electricity certified as generated from renewable sources during the first 12 months.
- SCUDO CASA: which combines transparent energy tariffs and a package of services dedicated to home maintenance, in which the energy is certified as produced from renewable sources;
- ECO LUCE: dedicated to customers coming from the safeguarded market.

For business customers holding a VAT number, offers such as PROXIMA LUCE are available in the EXTRASMALL/SMALL/MEDIUM/LARGE BUSINESS versions, providing for the application of an energy component indexed either to the average PUN price established on the Italian Power Exchange or to the hourly PUN, depending on the customer's requirements. In this case too, the energy is certified as produced from renewable sources through the Guarantees of Origin system.

The number of contracts signed during the year that include the sale of renewable electricity is 61,639, which corresponds to approximately 22.0% of the total contracts executed and is broken down as follows:

- Magis Energia: 39,525, corresponding to 17.9% of the total contracts executed;
- Global Power Plus S.r.l.: 21,894, corresponding to 100% of the total contracts executed.

In July 2024, following the introduction of the Gradual Protection Service for non-vulnerable customers, Magis Energia, under the "Bolletta Elettrica Transitoria" brand, continues to provide the vulnerability protection service for electricity customers who fall into the following cases (Vulnerable Customers):

- the customer is in economically disadvantaged conditions or suffers from serious health conditions pursuant to Article 1, paragraph 75, of Law No. 124/17;
- the customer falls within the category of persons with disabilities pursuant to Article 3 of Law No. 104 of 5 February 1992;
- the utilities are located on small, non-interconnected islands;
- the utilities are located in emergency housing facilities following a disaster;
- the customer is over 75 years of age.

Commercial natural gas offers with carbon emissions offsetting

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68e]

[ESRS_S4, DR S4-4, DP 31a, 31b, 31d, 32b]

[ESRS_E1, DR E1-7, DP 56b]

Also in 2025, Magis includes in its natural gas product catalogue offers aimed at sustainability and commitment to the environment. In particular, some offers include carbon offsetting mechanisms that enable organisations and individuals to voluntarily offset the CO2 emissions generated by their consumption. Carbon offsetting is carried out through the purchase of carbon credits on the relevant voluntary market, intended to support projects that contribute to the reduction, absorption or prevention of CO2 emissions.

[ESRS_E1, DR E1-7, DP 59a]

During 2025, Magis Energia launched the MIA GAS and MIA GAS FIX offers, which include the offsetting of CO_2 emissions associated with the gas supplied to customers. In 2025, this offsetting amounted to 24,048 tCO_2, carried out through the purchase of certified carbon credits on behalf of the customer. These credits are generated by projects located outside Magis's value chain, with different offsetting methods depending on the characteristics of the individual projects. The carbon credits used are generated by third-party bodies (including Verra and ANREU), registered and cancelled (retired) in official registries.

The list of projects backed is available on the website page: https://www.magisenergia.it/it/chi-siamo/impegno-ambientale.

Specifically:

- with MIA GAS, the price of the commodity is aligned with the PSV-DA, a reference index for Italy's wholesale gas market;
- with MIA GAS FIX, the gas charge (commodity price) is fixed for the first 24 months from subscription.

For natural gas, the number of contracts including CO2 compensation signed in 2025 was 20,124.

For the sale of natural gas, the following offers are also active:

- PURA GAS, with the gas price fixed for one year and including CO2 compensation for emissions during the first 12 months;
- PROXIMA GAS, in the EXTRASMALL/SMALL/MEDIUM/LARGE versions, which provides for the application of a gas component indexed to the PSV-DA price.

[ESRS_E1, DR E1-7, DP 60]

The carbon credits purchased and cancelled by Magis during the period are used exclusively to support voluntary offsetting mechanisms for the benefit of end customers subscribing to the dedicated offers and are not used to offset the Group's direct or indirect emissions.

[ESRS_E1, DR E1-7, DP 59b]

As at the reference date of this report, Magis expects to purchase carbon credits also for the next financial year; however, the exact quantity is defined year by year based on customer demand and the consequent acquisition of the related carbon credits.

Protection of Confidentiality

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68e]

[ESRS_S4, DR S4-4, DP 31a, 31d, 32b]

In order to protect the personal data and privacy of all individuals the Group interacts with, and in accordance with the provisions of the General Data Protection Regulation ("EU Regulation 2016/679" or "GDPR"), the Magis Group has adopted a system of privacy governance, which also applies to those who operate, directly or indirectly, on behalf of the Group. This system, which includes, among other things, compliance with the following obligations:

- the definition of roles and responsibilities within the Group, including the identification of the Data Protection Officer ("DPO") and the persons authorised for the processing (employees of the Group);
- the identification and appointment of data processors, i.e. providers that process personal data on behalf of the Data Controller;
- the collection of consent in an explicit and free manner, combined with the use of information provided in a concise, transparent, intelligible and easily accessible form;
- keeping of the records of processing activities pursuant to Article 30 of the GDPR;
- collection and keeping of the list of System Administrators.

During 2025, pursuant to Article 26 of the GDPR, joint controllership agreements were entered into between Magis S.p.A. and the first-tier subsidiaries, in order to jointly regulate the purposes and means of the processing of personal data. During the financial year, the most critical privacy notices of certain subsidiaries were also updated.

Throughout 2025, several targeted training sessions were organised and conducted, primarily aimed at the Group Compliance function, to deepen understanding of specific topics and ensure effective management of regulatory obligations. The training activities included:

- specialist training on the application of the GDPR;
- the management of records for data processing;
- the use of software tools for GDPR compliance management;
- the assessment and management of potential data breach (i.e., data losses or unauthorised access).

In September 2025, dedicated "privacy by design" training was provided, covering topics such as processing registers, privacy notices, consent management, risk assessment and impact evaluation in the field of AI (Artificial Intelligence).

Even during the 2025 fiscal year, the training programme that began in 2022 continued to raise awareness among those working for the Group on the topic of Cyber Security.

During the reporting period, a data breach incident occurred involving the subsidiary Magis Energia: the Compliance function promptly notified the Data Protection Authority of the breach. Having assessed, in collaboration with the DPO, that the risk to the rights and freedoms of individuals was low, it was not necessary to notify the data subjects.

No GDPR-related penalties were imposed on Group companies during 2025.

In the course of the reporting period, a total of 34 requests were received from data subjects for the exercise of rights under Articles 15–22 of the GDPR (including access to personal data and the right to erasure).

[ESRS_S4, DR S4-4, DP 35]

Finally, it should be noted that during the year no serious issues or incidents related to human rights connected to consumers and/or end users were reported.

Protection of Transparency

[ESRS_2, MDR-A, DP 68a, 68b, 68c, 68e]

[ESRS_S4, DR S4-4, DP 31c]

Magis's commitment to transparent management of relationships with customers and end consumers is outlined in the Group's Code of Ethics, which sets out the values and principles of fair professionalism for its commercial policies. The Code of Ethics also reiterates that communications with customers must be clear, simple, and expressed in language as close as possible to that of the customers, as well as compliant with current legislation and guidelines from regulatory and supervisory authorities.

SOCIAL BONUS

Magis always operates in the best interests of its customers: through the "Social Bonus", it promotes saving on electricity and gas expenditure for families in economic hardship and for large families. In particular, through targeted communication and assistance, Magis supports customers so they can benefit, in the easiest possible way, from the Gas Bonus and the Electricity Bonus: discounts on the bill, introduced by the Government and implemented by the Italian Regulatory Authority for Electricity, Gas and Water (ARERA) with the cooperation of the Municipalities, to guarantee a saving for those families who find themselves in specific difficult circumstances. Contracts eligible for the Electricity and Natural Gas Bonus amount to approximately Euro 25.3 million in 2025.

The Magis Group is careful to evaluate and accommodate requests for extended payment terms for bills where possible, also in those cases not provided for by the Authority.

For the municipalities of Vicenza and Verona, there is also an active partnership with Caritas Diocesana, through the creation of a dedicated fund managed by Diakonia Onlus and the San Zeno Charity Association Onlus, which serve as the operational arms of Caritas, to support families facing temporary financial hardship. The objective of the collaboration is to guarantee intervention to support individuals and households in difficulty in paying their electricity and gas bills, in a context of increasing adversity. In 2025, the Magis Group disbursed Euro 60,000.00 for local families in social and economic hardship via this fund.

For residents of the City of Vicenza, the Group has also introduced special repayment plans for families experiencing socio-economic hardship: each year, the Municipality of Vicenza enters into an agreement to support the instalment-based payment of electricity and gas bills.

Table 70 – Contracts eligible for the social bonus

Social Electricity bonuses (no.)	U.M.	2025	2024
Number of contracts eligible for the Electricity bonus	Number	86.614	70.018
Number of contracts eligible for the GAS bonus	Number	42.032	52.156
Total	**Number**	**128.646**	**122.174**

Table 71 – Social Bonuses Granted

Value of social bonuses (€)	U.M.	2025	2024
Electricity Bonus	Euro (€)	22.150.156	11.924.731
Gas Bonus	Euro (€)	3.140.195	2.981.141
Total	**Euro (€)**	**25.290.451**	**14.905.872**

3.4.3 Metrics and targets

[ESRS_2, MDR-A, DP 68 a, 68 b, 68 c]

[ESRS_2, MDR-T, DP 80 a, 80 b, 80 c, 80 d, 80 e]

[ESRS_S4, DR S4-5, DP 41a, 41b, 41c]

The constant focus on service quality and customer centrality guides the initiatives of the Magis Group, with a view to continuous improvement.

During 2025, as part of the development of the new Business Plan and ESG Plan, the Market Business Unit of the Magis Group launched a series of initiatives aimed at improving the experience of consumers and end users.

[ESRS_S4, DR S4-4, DP 33 a, 33 b]

[ESRS_S4, DR S4-5, DP 38 b, 38 c]

A first area of action concerns the development and roll-out of gas offers providing for the offsetting of CO_2 emissions associated with gas consumption, initially applied to 30% of new household contracts (2025 baseline) and set to grow over time, in order to reach the target of 20% green gas contracts across the entire household customer base by 2030.

Similarly, for the supply of electricity, all new household activations will be progressively associated exclusively with green offers from 2026, with the aim of increasing the overall share of green electricity contracts to 70% by 2030, compared with a 2024 baseline of 3.5%. Through these initiatives, the Group supports its customers in making more informed energy choices, contributing to the reduction of emissions associated with domestic energy use and promoting a more sustainable consumption model.

A second area of action concerns access to information and the simplification of the administrative relationship with the customer. In this direction, Magis Energia launched a process of digitisation of communications, with the aim of increasing the percentage of electronic bills from 54.2% in 2024 to 70% of total supplies. The digitisation of the bill makes it easier for users to access information, reduces the risk of delays and issues linked to postal delivery, and fosters greater transparency in monitoring their own consumption.

Improving the customer experience also involves enhancing support services and strengthening opportunities for contact with the company. To this end, the Market Business Unit has established a twofold objective: to maintain the average waiting time at customer service counters within eight minutes and to reduce the overall complaint rate to below 1%. To achieve these results, the Magis Group is investing both in expanding and optimising digital support channels and in renewing its internal processes for responding to and managing requests. In addition, the systematic collection of feedback from users, carried out after services have been provided, makes it possible to identify any issues more promptly and to steer continuous improvements in how the company interacts with customers.

A further pillar of the initiatives launched concerns strengthening the link with the territories in which the Group operates or intends to expand. For all new markets, Magis Energia has put in place a structured process of preliminary engagement, aimed at understanding the expectations, perceptions and needs of local communities before commercial activities begin. In the second half of 2025, this process involved carrying out a customer survey to assess perceived service quality, the Group's image and the priorities expressed by users. This will be complemented by a strategic plan for engaging with the territories considered a priority, such as Padova, Northern Lombardy and Emilia-Romagna, structured around specific objectives, discussion topics and ways of involving the various stakeholders, in order to build a solid and transparent relationship from the early stages.

4. Governance information

4.1. Business conduct – ESRS G1

[ESRS_2, DR IRO-1, DP 6]

[ESRS_2, DR SBM-3, DP 48a]

The following table sets out the impacts, risks and opportunities relating to business conduct that the Magis Group identified and assessed as material following the Double Materiality Analysis (DMA) carried out in 2024 and updated in 2025, as described in paragraph 1.4 "Material Sustainability Matters".

As part of this initiative, the Magis Group adopted a structured stakeholder engagement approach that, over the course of 2025, promoted targeted meetings and workshops involving key opinion leaders and representatives of the Group's primary internal and external stakeholders. For further details, please refer to the section "1.3 Our commitment to stakeholders".

[ESRS_2, DR SBM-3, DP 48c]

Results of the impact materiality assessment

ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
G1	Corporate culture	Negative impact on the community due to non-compliance with regulations and ethical standards, compromising business integrity, fair competition, and more.	Impact Negative Potential	S-M-L	✓	✓	✓
G1	Management of relationships with suppliers, including payment practices	Increased negative impacts on the environment, people, and the socio-economic system due to the failure to promote and adopt responsible and sustainable practices within the Magis Group's supply chain.	Impact Negative Potential	S-M	✓	✓	☒
G1	Management of relationships with suppliers, including payment practices	Complex management of payment practices within the supply and subcontracting network, with potential delays in payments and/or the use of unlawful methods to speed up processes.	Impact Negative Potential	S-M	✓	✓	☒
G1	Corruption – Prevention and detection, including training	Impacts on the wider community resulting from misconduct such as corruption, fraud, extortion, collusion, and money laundering.	Impact Negative Potential	S-M	✓	✓	✓
G1	Incidents	In conducting its operational and business activities, individuals acting directly or indirectly on behalf of the Group may engage in behaviours that could potentially constitute criminal offences and/or improper conduct, with possible negative impacts on people, the environment, and the socio-economic system in which the organisation operates.	Impact Negative Potential	S-M-L	✓	✓	✓

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ESRS	Sustainability topic	Description	IRO	Time Timeframe S=Short M=Medium L=Long term	Stage of the value chain		
					Upstream	Operations owned	Downstream
G1	Management of relationships with suppliers, including payment practices	Legal non-compliance by one or more suppliers due to insufficient or incomplete monitoring of the required supplier criteria, including in response to regulatory changes and/or shifts in supply parameters. This may lead to disputes with significant financial impact and operational costs associated with securing new supplies to avoid business interruption.	Risk	S-M-L	✓	✓	☒
G1	Management of relationships with suppliers, including payment practices	Non-compliance with purchasing procedures due to delayed or missed awarding/payment (e.g. procurement tenders), resulting in significant financial impact from moderately complex disputes and/or delays in the execution of works or acquisition of goods and services.	Risk	S-M-L	☒	✓	☒
G1	Whistleblower Protection	Risk of sanctions related to the failure or inadequate protection of whistleblowers.	Risk	S-M-L	✓	✓	✓
G1	Prevention and detection, including training	The absence of effective anti-corruption policies, inadequate employee training on ethical behaviour, and insufficient internal control systems can lead to undetected corrupt practices. The effects may include potential legal sanctions, reputational damage, and significant financial losses.	Risk	S-M-L	✓	✓	☒
G1	Incidents	Instances of both internal and external corruption and fraud could lead to negative reputational consequences (loss of trust from stakeholders) and significant financial damage (due to fines and penalties).	Risk	S-M-L	✓	✓	☒
G1	Management of relationships with suppliers, including payment practices	Growing military conflicts and market volatility constitute a substantial risk to worldwide economic stability. These events can cause volatility in financial and commodity markets, negatively impact supply chains, and increase economic uncertainty.	Risk	S-M-L	✓	✓	☒
G1	Corporate culture	Ineffective cybersecurity protection systems for plant infrastructure that could lead to loss of control of the facilities themselves following a cyberattack or ransomware demand. This could result in financial losses due to potential production downtime and operational costs incurred to manage the attack and upgrade the protection system.	Risk	S-M-L	✓	✓	✓

4.1.1 Governance

[ESRS_2, DR GOV-1, DP 5a, 5b]

The corporate bodies of the Gruppo Magis play a central role in defining strategic direction and promoting corporate conduct based on the principles of transparency, fairness, and responsibility. The Group's administrative and control bodies, each within their respective responsibilities, ensure careful oversight of legality, ethics, and consistency in corporate conduct, in accordance with the principles of good governance.

The boards of directors/single directors of the Group's companies exercise broad management and strategic guidance powers, drawing on technical and managerial expertise suited to the complexity of the operating environment, while the control bodies oversee compliance with the law and the effectiveness of the organisational, administrative, and accounting structures.

The multidisciplinary expertise of the administrative and control bodies helps strengthen the Group's ability to operate responsibly and in compliance with applicable regulations.

For further details regarding the Group's corporate governance, please refer to section "1.5 Sustainability Governance" of this document.

4.1.2 Impacts, risks and opportunities management

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

[ESRS_G1, DR G1-1, DP 7]

Italian Legislative Decree no. 231 of 8 June 2001 (hereinafter also referred to as "Decree 231"), with its subsequent amendments and extensions of applicability, introduced into the Italian legal system a special form of liability, qualified as "administrative liability for offences", for companies, associations and entities in general, following the commission, in their interest or to their advantage, by a person holding an executive or subordinate position within them, of a criminal offence.

In order to comply with the provisions of Decree 231 and to facilitate compliance with the principles of fairness and ethics in carrying out their businesses, the Parent Company Magis S.p.A. and the following subsidiaries defined and adopted their Organisation, Management and Control Model (hereinafter also "Model 231").

Magis S.p.A.	Cogaspiù Energie s.r.l.
Magis Ambiente s.r.l.	Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l.
Magis Calore s.r.l.	Global Power S.p.A.
Magis Energia S.p.A.	SERIT s.r.l.
Magis Power s.r.l.	Valore Ambiente s.r.l.
Magis Smart s.r.l.	V-reti S.p.A.

Pursuant to Decree 231, when adopted by an organisation Model 231 constitutes a criminal defence against any offences committed or attempted by persons in a senior position and/or by employees (subject to management or supervision by senior positions), from which an interest or advantage for the organisation may derive.

For Model 231 to be considered suitable in pursuing the company's exemption from liability, it is constantly updated not only in the event of new regulations, but also due to corporate, organisational and operational developments.

[ESRS_G1, DR G1-1, DP 9]

During the 2025 financial year, projects to update the Model 231 of the subsidiaries Magis Calore and Magis Power continued.

Adopting Model 231 by each of the Group companies listed above has also improved the effectiveness and transparency of the functioning of those organisations and thus contributed to preventing lack of transparent information and potential improper conduct by senior management and subordinate personnel.

Pursuant to Legislative Decree 231, the Parent Company Magis S.p.A. and the above-mentioned companies appointed and/or renewed the appointment of their respective Supervisory Body (hereinafter also referred to as the "SB"), entrusted with overseeing the effectiveness and actual implementation of the adopted

Model 231 through the continuous monitoring of corporate conduct, as well as ensuring the ongoing adaptation of the functioning of Model 231, with periodic updates based on requirements arising from legislative measures or developments in the corporate and organisational structure.

In compliance with the provisions of Decree 231, an e-mail address was set up for each Supervisory Body to submit any requests for clarification on the interpretation of the indications contained in the Model 231 or reports of suspected violations thereof.

In order to facilitate the effective implementation of the adopted Models 231, the heads of corporate functions were made aware of the methods of periodic transmission of information flows to the SB.

Training on the administrative liability of entities under Legislative Decree 231/2001 is an essential tool for the effective implementation of the Organisation, Management and Control Model adopted by the companies of the Magis Group. The Gruppo Magis launched and completed a specific training programme for its staff.

Anti-Corruption Policy and Management System for Corruption Prevention

[ESRS_2, MDR-P, DP 65a, 65b, 65c]

Well aware that the fight against corruption is a fundamental value in the pursuit of its business activity, the Parent Company Magis S.p.A. defined and adopted a voluntary Group Anti-Corruption Policy which, in coordination with Model 231 and the Group's Code of Ethics, provides a systematic reference framework to combat corruption and aims to disseminate within the Company, as well as to all those who work in favour of or on behalf of companies belonging to the Group, the principles and rules to be followed to exclude any type of direct and indirect, active and passive corruption, including in the form of instigation.

The heads of the various corporate functions also have the task of supervising compliance with the Policy by their employees and adopting measures to prevent, identify and report potential violations.

In addition, the Corruption Prevention Compliance Function is tasked with overseeing the design and implementation of the corruption prevention system, providing advice and support to staff regarding anti-corruption measures and issues, as well as reporting to the Board of Directors (Governing Body) on the overall functioning of the system and any critical issues identified.

[ESRS_G1, DR G1-1, DP 10a]

[ESRS_G1, DR G1-3, DP 18a, 18c]

The recipients of the Anti-Corruption Policy are also required to report, including anonymously, any actual or suspected breach of the obligations established by the Group's internal anti-corruption regulations committed by Group employees, collaborators or third parties acting for or on behalf of Group companies. The reporting channels made available are those described in the "whistleblowing" paragraph.

During 2025, the Parent Company also implemented an Anti-Bribery Management System (ABMS) in accordance with ISO 37001:2016, obtaining the relevant certificate. In connection with this implementation, the assessment of corruption risks was reviewed by updating the risk assessment, attached to the Anti-Corruption Policy, which sets out the findings of the analysis carried out. In any case, the Gruppo Magis is committed to updating the periodic assessment of the documentation.

[ESRS_2, MDR-P, DP 65f]

[ESRS_G1, DR G1-3, DP 20]

Pursuant to the Management and Coordination Guidelines, the updated February 2025 version of the Anti-Corruption Policy has been progressively disseminated and adopted, through specific internal measures, also by all the Gruppo Magis subsidiaries included within the scope of the Consolidated Financial Statements. The Policy is made available both on the company intranet and on the institutional website, and all recipients are required to read it, understand its contents and comply with the requirements set out therein. In this regard, the companies shall ensure that it also becomes binding for all those who operate in any capacity in favour of them or on their behalf.

[ESRS_G1, DR G1-1, DP 10h]

[ESRS_G1, DR G1-3, DP 21a]

The corporate functions identified through the risk assessment activity as being most exposed to the risk of active and passive corruption are primarily those maintaining relations with supervisory and control authorities and/or with the Public Administration in general. Additional at-risk areas include, by way of example and not exhaustively, those relating to the award of contracts, the provision of sponsorships and staff selection. These processes are also overseen through the ABMS in accordance with ISO 37001:2016.

[ESRS_G1, DR G1-1, DP 10g]

[ESRS_G1, DR G1-3, DP 21a, 21c]

In order to promote adequate awareness of the content of the anti-corruption policy adopted, the Group requires all employees to complete a mandatory anti-corruption training programme with varying levels of depth — particularly for individuals belonging to functions most exposed to corruption risk - determined according to the recipients' roles and their different levels of involvement in sensitive activities.

During 2025, training on the Anti-Bribery Management System in accordance with ISO 37001:2016 was scheduled and delivered for the Parent Company's employees. In particular, 90% of staff holding a manager or function head position attended dedicated in-person training; this training included managers from the strategic subsidiaries.

Around 83% of the Parent Company's employees who do not hold a manager or function head position also received training through e-learning.

For 2026, the intention is to repeat the training for the Parent Company's employees and extend training on the Anti-Bribery Management System to all employees of the strategic subsidiaries.

The Gruppo Magis personnel are trained and informed at the time of hiring and through refresher courses to understand the responsibilities and risks they may face in performing their duties. New hires are provided with a copy of the Anti-Corruption Policy (as well as a copy of the Organisational Model pursuant to Legislative Decree 231/2001 and the Group's Code of Ethics).

[ESRS_G1, DR G1-3, DP 21b]

The training covers 100% of the corporate functions identified as being at risk of corruption.

[ESRS_G1, DR G1-1, DP 10 a]

Lastly, it should be noted that the Parent Company is assessing whether to extend the ABMS implemented in accordance with ISO 37001:2016 also to the first-tier subsidiaries.

Whistleblowing

[ESRS_G1, DR G1-1, DP 10 a, 10e]

In order to implement European Directive 2019/1937 and the related implementing Italian Legislative Decree (the so-called Whistleblowing Decree), the Board of Directors of the Parent Company adopted the Whistleblowing Policy, updated during 2025 by the Compliance function, containing the management system for receiving and managing the Company's reports. The same function also updated the information notice on the processing of personal data of individuals who submit reports via the Whistleblowing platform.

The Whistleblowing Policy aims to regulate the methods of making and managing reports of violations of national or European regulatory provisions that harm the public interest or the integrity of the company, as well as the measures to protect the people who make the reports.

This Policy is addressed to all subjects who operate in the company's working context as members of the corporate or control bodies (including persons with the function of Management, administration and control), employees (managers, office staff and workers) and - as a result of specific clauses – also in favour of third parties who have negotiating relations with the company itself.

[ESRS_G1, DR G1-3, DP 18b]

The specific internal channel for reporting illegal conduct and/or violations has been amended, and its management has been assigned to a third party, identified as the Supervisory Body of each Group Company (hereinafter also the "Manager").

With reference to the selection of the new platform, the Compliance function carefully examined various alternatives, identifying the platform most compliant with the needs and the current regulatory framework. The chosen service is certified by the National Cybersecurity Agency (ACN) and selected by ANAC for the setup of the external reporting channel.

Reports may be made in writing or orally, via the specific channel provided and available on the Company's institutional website on the whistleblowing page. In both cases, confidentiality of the reporting person's identity, the content of the report and any documentation is guaranteed. The option to submit an anonymous report has also been introduced.

[ESRS_G1, DR G1-1, DP 10c]

Gruppo Magis has adopted a Whistleblowing Policy aimed at regulating the methods for submitting and managing reports, as well as the measures to protect the people who make them.

The channel dedicated to reporting violations and/or illegal conduct complies with the provisions of Article 6, paragraph 2-bis of Legislative Decree 231/2001 and point 8.9 of UNI ISO 37001:2016. In line with the Parent Company's guidance, the subsidiaries have also activated their own internal channel for receiving reports and, by resolution of their respective governing bodies, have adopted the Parent Company's Whistleblowing Policy.

The Channel Manager is tasked with diligently following up on each report, carrying out a preliminary verification of the facts presented, ascertaining the existence of the reported circumstances, assessing the outcomes of the investigation activities and promoting any consequent measures.

The personal data processed are exclusively those provided by the reporting person and are used to carry out the activities necessary to verify whether the report is well founded and to adopt the consequent measures. Irrelevant or unnecessary data are not collected or, if acquired accidentally, are deleted immediately. Specific security measures are also adopted to prevent data loss, improper use or unauthorised access.

The reporting person may not be subject to any retaliation (any conduct, act or omission, even if only attempted or threatened) solely for having made the report.

During 2025, no reports were received with regard to potential offences, crimes or irregular conduct in violation of the Group's Code of Ethics, the Anti-Corruption Policy or the Models 231 adopted by Group companies.

4.1.3 Metrics and targets

[ESRS_2, MDR-M, DP 77a, 77b, 77c, 77d]

Payment terms

[ESRS_G1, DR G1-2, DP 14, 15a]

The Gruppo Magis manages supplier payments in accordance with uniform criteria and standardised procedures, regardless of contract type, supplier size, or geographical location. The Group sets a payment term of sixty days from receipt of the purchase order, subject to exceptions agreed with individual counterparties.

[ESRS_G1, DR G1-6, DP 33a, 33b, 33c, 33d]

The contractual terms generally applied to suppliers of goods, services, and works (excluding energy and gas commodities) provide for payment within 60 days of the invoice date. For the current reporting period, the Group estimated an average payment time of 60 days, in line with the contractual terms agreed with counterparties and with no pending legal proceedings in Italy against Gruppo Magis companies regarding delays in payments to suppliers. The average payment times recorded during the 2025 financial year are consistent with the contractual terms agreed and signed with counterparties. The Group is consistently committed to meeting payment deadlines, particularly in support of small and medium-sized suppliers. It monitors any delays resulting from specific contingent situations (e.g. disputes or procedural anomalies) and works continuously to reduce the average number of payment days by anticipating due dates whenever possible.

During the reporting period, there were no legal proceedings pending in Italy against Gruppo Magis Group companies concerning delayed payments to their suppliers.

Anti-corruption

[ESRS_G1, DR G1-4, DP 24a, 24b, 25a, 25b, 25c, 25d]

It is also noted that during the 2025 financial year, the Group recorded no confirmed cases of corruption. For this reason, no actions were taken in response to violations of procedures or rules relating to the prevention of active and passive corruption.

Likewise, in 2025, the Group reported no verified cases of active or passive corruption and no contract terminations or non-renewals with business partners due to breaches linked to such corruption.

Authorities and institutions

[ESRS_G1, DR G1-5, DP 29b, 30]

The Institutions represent for the Gruppo Magis a privileged partner with whom to collaborate in the implementation of initiatives designed to generate positive effects on the social and economic fabric of the territory and on the citizens' quality of life, including by virtue of the essential nature of the services provided by the Group and their impact on the communities.

Relations with institutional parties, maintained in accordance with current legislation and the principles of the Code of Ethics, play a fundamental role both socially, with reference to relations with local institutions, sector authorities, trade associations, etc., and economically for the payment of taxes and duties.

Among the members of the Parent Company's administrative, management and control bodies, there are no individuals who, in the two years prior to that appointment, held comparable positions in the public administration, including regulatory authorities. During the 2025 financial year, two directors appointed within two Group subsidiaries also held positions within the Public Administration, serving respectively as mayor of a municipality in the Province of Verona and as a member of a district council of the Municipality of Verona. Some members of the control bodies (i.e. the Board of Statutory Auditors) hold similar positions with local authorities and/or other Italian publicly owned companies (so-called in-house companies). Finally, note the participation of the Deputy Mayor of the city of Tirana among the members of the management board of the subsidiary Eco Tirana, in which the municipality itself holds 51% of the share capital.

Magis regularly pays the contributions and registration fees due to public and private entities, such as Chambers of Commerce, independent administrative authorities, sector associations and representative bodies.

[ESRS_G1, DR G1-5, DP 29c]

The Gruppo Magis Group also maintains relations with some trade associations by participating and actively collaborating in benchmarking against other companies and to promote regulatory and technological updates, including:

- Utilitalia, a federation of companies operating in the water, environment, electricity and gas public services.
- AIRU (Associazione Italiana Riscaldamento Urbano), which aims to promote and disseminate the application and innovation of district heating and cooling systems.
- Confservizi Veneto, an association that coordinates and promotes the development of local service management companies and encourages the exchange of knowledge and experience, carries out studies, drafts regional law proposals, administrative measures, economic and statistical data and cooperates with other regional associations.
- ANEV (Associazione Nazionale Energia del Vento) whose aims include contributing to the promotion and use of wind energy in a balanced relationship between settlements and nature, as well as encouraging research and technological development aimed at using wind resources and the rational use of energy, and the dissemination of correct information based on real data.

The Gruppo Magis is attentive to compliance with rules and regulations and has no significant litigation proceedings against the Public Administration. Magis receives contributions from the Public Administration, in particular from CSEA (Cassa Servizi Energetici Ambientali).

Moreover, the Gruppo Magis does not contribute in any way to the financing of political parties or political and trade union movements, committees and organisations, as well as their representatives and candidates, except for the cases provided for by specific regulations, as set out in the Group's Code of Ethics.

Appendix 1 – Disclosure requirements index

[ESRS_2, IRO-2, DP 56]

Disclosure Requirement		Reference pages
ESRS 2 - GENERAL DISCLOSURES		
BP-1	Basic principles for sustainability statement reporting	1.1 - Basis for the preparation of the Report
BP-2	Disclosure related to specific circumstances	1.1 - Basis for the preparation of the Report
GOV-1	The role of the administrative, management and supervisory bodies	1.5 - Sustainability governance
GOV-2	Information provided to the undertaking's administrative, management and supervisory bodies and sustainability matters addressed by them	1.4 Material Sustainability Matters 1.4.1 Magis Group's commitments to sustainable growth 1.5 Sustainability governance 1.5 Sustainability governance 1.5.3 Internal Control and Risk Management System
GOV-3	Integration of sustainability-related performance in incentive schemes	4.1 - Business conduct – ESRS G1 4.1.1 Governance
GOV-4	Statement on due diligence	1.5 - Sustainability governance 1.5.2 Declaration of Due Diligence
GOV-5	Risk management and internal controls over sustainability reporting	1.5 - Sustainability governance 1.5.4 Risk management and internal controls relating to the Consolidated Sustainability Report
SBM-1	Strategy, business model and value chain	1.2 Business Model and Strategy 1.2.1 Our business model and value chain 1.2.2 Electricity Generation 1.2.3 Cogeneration Production for District Heating 1.2.4 Electricity and Natural Gas Distribution 1.2.5 Smart services 1.2.6 Environmental services
SBM-2	Interests and views of stakeholders	1.3 Our commitment to stakeholders
SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	1.4 Material Sustainability Matters 1.4 Material Sustainability Matters 1.4.1 Magis Group's commitments to sustainable growth
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4 Material Sustainability Matters
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	1.4 Material Sustainability Matters A.1 - Appendix 1 – Disclosure requirements index A.2 - Appendix 2 - List of Information Requirements under Cross-Cutting and Thematic Standards Arising from Other EU Legislative Acts
E1 – CLIMATE CHANGE		
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	1.5 Sustainability governance 1.5.1 Sustainability performance linked to incentive schemes

Disclosure Requirement		Reference pages
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	2.1 Climate change – ESRS E1 2.1.1 Strategy
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to climate	2.1 Climate change – ESRS E1
E1-1	Transition plan for climate change mitigation	2.1 Climate change – ESRS E1 2.1.1 Strategy
E1-2	Policies related to climate change mitigation and adaptation	2.1 Climate change – ESRS E1 2.1.2 Impacts, risks and opportunities management
E1- 3	Actions and resources in relation to climate change policies	2.1 Climate change – ESRS E1 2.1.2 Impacts, risks and opportunities management
E1- 4	Targets related to climate change mitigation and adaptation	2.1 Climate change – ESRS E1 2.1.1 Strategy
E1- 5	Energy consumption and mix	2.1 Climate change – ESRS E1 2.1.3 Metrics and targets
E1 -6	Gross Scope 1, 2 and 3 GHG Emissions and Total GHG Emissions	2.1 Climate change – ESRS E1 2.1.3 Metrics and targets
E1-7	GHG Removals and GHG Emission Mitigation Projects Financed through Carbon Credits	3.4 Consumers and end users – ESRS S4 3.4.2 Impacts, risks and opportunities management
E2 – POLLUTION		
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	2.2 Pollution - ESRS E2 2.2.1 Impacts, risks and opportunities management
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to pollution	2.2 Pollution - ESRS E2 2.2.1 Impacts, risks and opportunities management
E2-1	Pollution-related policies	2.2 Pollution - ESRS E2 2.2.1 Impacts, risks and opportunities management
E2-2	Actions and resources related to pollution	2.2 Pollution - ESRS E2 2.2.1 Impacts, risks and opportunities management
E2-4	Pollution of air, water and soil	2.2 Pollution - ESRS E2 2.2.1 Impacts, risks and opportunities management 2.2.2 Metrics and targets
E3 – WATER AND MARINE RESOURCES		
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	2.3 Water and marine resources – ESRS E3 2.3.1 Impacts, risks and opportunities management
ESRS 2 IRO-1	Description of the processes to identify and assess relevant impacts, risks, and opportunities related to water and marine resources	2.3 Water and marine resources – ESRS E3 2.3.1 Impacts, risks and opportunities management
E3-1	Policies related to water and marine resources	2.3 Water and marine resources – ESRS E3 2.3.1 Impacts, risks and opportunities management
E3-2	Actions and resources related to water and marine resources	2.3 Water and marine resources – ESRS E3 2.3.1 Impacts, risks and opportunities management
E3-4	Water consumption	2.3 Water and marine resources – ESRS E3 2.3.2 Metrics and targets
E4 – BIODIVERSITY AND ECOSYSTEMS		
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	2.4 Biodiversity and ecosystems – ESRS E4 2.4.1 Impacts, risks and opportunities management
ESRS 2 IRO-1	Description of the processes to identify and assess relevant impacts, risks, and opportunities related to biodiversity and ecosystems	2.4 Biodiversity and ecosystems – ESRS E4 2.4.1 Impacts, risks and opportunities management

Disclosure Requirement		Reference pages
E4-2	Policies related to biodiversity and ecosystems	2.4 Biodiversity and ecosystems – ESRS E4 2.4.1 Impacts, risks and opportunities management
E4-3	Actions and resources related to biodiversity and e cosystems	2.4 Biodiversity and ecosystems – ESRS E4 2.4.1 Impacts, risks and opportunities management
E4-5	Impact metrics related to changes in biodiversity and ecosystems	2.4 Biodiversity and ecosystems – ESRS E4 2.4.1 Impacts, risks and opportunities management
E5 – RESOURCE USE AND CIRCULAR ECONOMY		
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	2.5 Circular economy – ESRS E5 2.5.1 Impacts, risks and opportunities management
ESRS 2 IRO-1	Description of the processes to identify and assess relevant impacts, risks, and opportunities related to resource use and the circular economy	2.5 Circular economy – ESRS E5 2.5.1 Impacts, risks and opportunities management
E5-1	Policies related to resource use and the circular economy	2.5 Circular economy – ESRS E5 2.5.1 Impacts, risks and opportunities management
E5-2	Actions and resources related to resource use and the circular economy	2.5 Circular economy – ESRS E5 2.5.1 Impacts, risks and opportunities management
E5-4	Resource inflows	2.5 Circular economy – ESRS E5 2.5.2 Metrics and targets
E5-5	Resource outflows	2.5 Circular economy – ESRS E5 2.5.2 Metrics and targets
S1 – OWN WORKFORCE		
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	3.1 Own workforce – ESRS S1 3.1.1 Strategy 3.1.2 Impacts, risks and opportunities management
S1-1	Policies related to own workforce	3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management 3.1.3 Metrics and targets
S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
S1-5	Targets related to managing material impacts, advancing positive impacts, and material risks and opportunities	3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
S1-6	Characteristics of the company's employees	3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
S1-7	Characteristics of non-employee workers in the undertaking’s own workforce	3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
S1-8	Collective bargaining coverage and social dialogue	3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets

Disclosure Requirement		Reference pages
S1-9	Diversity metrics	1.5 Sustainability governance 3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management 3.1.3 Metrics and targets
S1-10	Adequate wages	3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
S1-12	People with disabilities	3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
S1-13	Training and skills development metrics	3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
S1-14	Health and safety metrics	3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
S1-15	Work-life balance metrics	3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
S1-16	Compensation metrics (pay gap and total compensation)	3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
S1-17	Incidents, complaints and severe human rights impacts	3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
S2 – WORKERS IN THE VALUE CHAIN		
ESRS 2 SBM-2	Interests and views of stakeholders	3.2 Workers in the value chain – ESRS S2 3.2.1 Strategy
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	3.2 Workers in the value chain – ESRS S2 3.2.1 Strategy
S2-1	Policies related to own workforce	3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management 3.2.3 Metrics and targets
S3 – AFFECTED COMMUNITIES		
ESRS 2 SBM-2	Interests and views of stakeholders	3.3 Affected Communities – ESRS S3 3.3.1 Strategy
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	3.3 Affected Communities – ESRS S3 3.3.1 Strategy
S3-1	Policies relating to affected communities	3.3 Affected Communities – ESRS S3 3.3.2 Impacts, risks and opportunities management
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	3.3 Affected Communities – ESRS S3 3.3.2 Impacts, risks and opportunities management
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	3.3 Affected Communities – ESRS S3 3.3.2 Impacts, risks and opportunities management

Disclosure Requirement		Reference pages
S4 – CONSUMERS AND END-USERS		
ESRS 2 SBM-2	Interests and views of stakeholders	3.4 Consumers and end users – ESRS S4
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	3.4 Consumers and end users – ESRS S4
S4-1	Policies related to consumers and end-users	3.4 Consumers and end users – ESRS S4 3.4.2 Impacts, risks and opportunities management
S4-2	Processes for engaging with consumers and end users regarding impacts	3.4 Consumers and end users – ESRS S4 3.4.2 Impacts, risks and opportunities management
S4-3	Consumer and end-user engagement processes	3.4 Consumers and end users – ESRS S4 3.4.2 Impacts, risks and opportunities management
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.4 Consumers and end users – ESRS S4 3.4.2 Impacts, risks and opportunities management 3.4.3 Metrics and targets
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4 Consumers and end users – ESRS S4 3.4.3 Metrics and targets
G1 – BUSINESS CONDUCT		
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	4.1 Business conduct – ESRS G1 4.1.1 Governance
ESRS 2 SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	4.1 Business conduct – ESRS G1
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	4.1 Business conduct – ESRS G1
G1-1	Business conduct policies and corporate culture	4.1 Business conduct – ESRS G1 4.1.2 Impacts, risks and opportunities management
G1-2	Management of relationships with suppliers	3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management 4.1 Business conduct – ESRS G1 4.1.3 Metrics and targets
G1-3	Prevention and detection of corruption and bribery	4.1 Business conduct – ESRS G1 4.1.2 Impacts, risks and opportunities management
G1-4	Proven cases of active and passive corruption	4.1 Business conduct – ESRS G1 4.1.3 Metrics and targets
G1-5	Political influence and lobbying activities	4.1 Business conduct – ESRS G1 4.1.3 Metrics and targets
G1-6	Payment practices	4.1 Business conduct – ESRS G1 4.1.3 Metrics and targets

Appendix 2 - List of information requirements under cross-cutting and thematic standards arising from other EU legislative acts

[ESRS_2, DR IRO-2, DP 56]

Disclosure Requirement and related datapoint	SFDR Reference[41]	Reference to the Third Pillar[42]	Reference to the Benchmark Regulation[43]	Reference to the EU Climate Regulation[44]	Sections of the Sustainability Report
ESRS 2 GOV-1 Gender diversity on the board, DP 21, letter d)	X		X		1.5 Sustainability Governance
ESRS 2 GOV-1 Percentage of independent members of the Board of Directors, DP 21, letter e)			X		1.5 Sustainability Governance
ESRS 2 GOV-4 Duty of Diligence Statement, DP 30	X				1.5 Sustainability Governance 1.5.2 Declaration of Due Diligence
ESRS 2 SBM-1 Involvement in activities related to the fossil fuel sector, DP 40, letter d), point i)	X	X	X		1.2 Business Model and Strategy 1.2.4 Electricity and Natural Gas Distribution
ESRS 2 SBM-1 Involvement in activities related to chemical production, DP 40, letter d), point ii)	X		X		n.a.
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, DP 40, letter d), point iii)	X		X		n.a.
ESRS 2 SBM-1 Involvement in activities related to tobacco cultivation and production, DP 40, letter d), point iv)			X		n.a.
ESRS E1-1 Transition plan to reach climate neutrality by 2050 DP 14				X	n.a.
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks DP 16 (g)		X	X		n.a.

41 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

42 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).

43 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

44 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Disclosure Requirement and related datapoint	SFDR Reference[41]	Reference to the Third Pillar[42]	Reference to the Benchmark Regulation[43]	Reference to the EU Climate Regulation[44]	Sections of the Sustainability Report
ESRS E1-4 GHG emission reduction tar-gets DP 34	X	X	X		n.a.
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) DP 38	X				2.1 Climate change – ESRS E1 2.1.3 Metrics and targets
ESRS E1-5 Energy consumption and mix, DP 37	X				2.1 Climate change – ESRS E1 2.1.3 Metrics and targets
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	X				2.1 Climate change – ESRS E1 2.1.3 Metrics and targets
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, DP 44	X	X	X		2.1 Climate change – ESRS E1 2.1.3 Metrics and targets
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	X	X	X		2.1 Climate change – ESRS E1 2.1.3 Metrics and targets
ESRS E1-7 GHG removals and carbon credits, DP 56				X	3.4 Consumers and end users – ESRS S4 3.4.2 Impacts, risks and opportunities management
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, DP 66			X		Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk DP 66 (a) ESRS E1-9 Location of significant assets at material physical risk DP 66 (c)		X			Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes DP 67 (c)		X			Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities DP 69			X		Phase-in

Disclosure Requirement and related datapoint	SFDR Reference[41]	Reference to the Third Pillar[42]	Reference to the Benchmark Regulation[43]	Reference to the EU Climate Regulation[44]	Sections of the Sustainability Report
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PR-TR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, DP 28	X				2.2 Pollution - ESRS E2 2.2.2 Metrics and targets
ESRS E3-1 Water and marine resources, DP 9	X				2.3 Water and marine resources – ESRS E3 2.3.2 Metrics and targets
ESRS E3-1 Dedicated policy DP 13	X				2.3 Water and marine resources – ESRS E3 2.3.1 Impacts, risks and opportunities management
ESRS E3-1 Sustainable oceans and seas DP 14	X				n.a.
ESRS E3-4 Total water recycled and reused DP 28 (c)	X				2.3 Water and marine resources – ESRS E3 2.3.2 Metrics and targets
ESRS E3-4 Total water consumption in m3 relative to net revenue from own operations DP 29	X				2.3 Water and marine resources – ESRS E3 2.3.2 Metrics and targets
ESRS 2 SBM-3 – E4 DP 16 (a) (i)	X				2.4 Biodiversity and ecosystems 2.4.1 Impacts, risks and opportunities management
ESRS 2 SBM-3 – E4 DP 16, (b)	X				2.4 Biodiversity and ecosystems 2.4.1 Impacts, risks and opportunities management
ESRS 2 SBM-3 – E4 DP 16, letter c)	X				2.4 Biodiversity and ecosystems 2.4.1 Impacts, risks and opportunities management
ESRS E4-2 Sustainable land / agriculture practices or policies DP 24 (b)	X				2.4 Biodiversity and ecosystems 2.4.1 Impacts, risks and opportunities management
ESRS E4-2 Sustainable oceans / seas practices or policies DP 24 (c)	X				2.4 Biodiversity and ecosystems 2.4.1 Impacts, risks and opportunities management
ESRS E4-2 Policies to address deforestation DP 24 (d)	X				2.4 Biodiversity and ecosystems 2.4.1 Impacts, risks and opportunities management
ESRS E5-5 Unrecycled waste, DP 37, (d)	X				2.5 Circular economy – ESRS E5 2.5.2 Metrics and targets

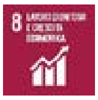
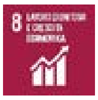
Disclosure Requirement and related datapoint	SFDR Reference[41]	Reference to the Third Pillar[42]	Reference to the Benchmark Regulation[43]	Reference to the EU Climate Regulation[44]	Sections of the Sustainability Report
ESRS E5-5 Hazardous Waste and Radioactive Waste, DP 39	X				2.5 Circular economy – ESRS E5 2.5.2 Metrics and targets
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour DP 14 (f)	X				3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
ESRS 2 – SBM3 – S1 Risk of incidents of child labour DP 14 (g)	X				3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
ESRS S1-1 Human rights policy commitments DP 20	X				3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, DP 21			X		3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
ESRS S1-1 Processes and measures for preventing trafficking in human beings DP 22	X				3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
ESRS S1-1 Workplace accident prevention policy or management system DP 23	X				3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
ESRS S1-3 Grievance/complaints handling mechanisms DP 32 (c)	X				3.1 Own workforce – ESRS S1 3.1.2 Impacts, risks and opportunities management
ESRS S1-14 Number of fatalities and number and rate of work-related accidents DP 88 (b) and (c)	X		X		3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness DP 88 (e)	X				3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
ESRS S1-16 Unadjusted gender pay gap DP 97 (a)	X		X		3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
ESRS S1-16 Excessive CEO pay ratio DP 97 (b)	X				3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
ESRS S1-17 Incidents of discrimination DP 103 (a)	X				3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets

Disclosure Requirement and related datapoint	SFDR Reference[41]	Reference to the Third Pillar[42]	Reference to the Benchmark Regulation[43]	Reference to the EU Climate Regulation[44]	Sections of the Sustainability Report
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD DP 104 (a)	X		X		3.1 Own workforce – ESRS S1 3.1.3 Metrics and targets
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain DP 11 (b)	X				3.2 Workers in the value chain – ESRS S2 3.2.1 Strategy
ESRS S2-1 Human rights policy commitments DP 17	X				3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management
ESRS S2-1 Policies related to value chain workers DP 18	X				3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines DP 19	X		X		3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, DP 19			X		3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain DP 36	X				3.2 Workers in the value chain – ESRS S2 3.2.2 Impacts, risks and opportunities management
ESRS S3-1 Human rights policy commitments DP 16	X				n.a.
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines DP 17	X		X		n.a.
ESRS S3-4 Human rights issues and incidents DP 36	X				3.3 Affected Communities – ESRS S3 3.3.2 Impacts, risks and opportuni-ties management
ESRS S4-1 Policies related to consumers and end-users DP 16	X				n.a.

Disclosure Requirement and related datapoint	SFDR Reference[41]	Reference to the Third Pillar[42]	Reference to the Benchmark Regulation[43]	Reference to the EU Climate Regulation[44]	Sections of the Sustainability Report
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines DP 17	X		X		n.a.
ESRS S4-4 Human rights issues and incidents DP 35	X				3.4 Consumers and end users – ESRS S4 3.4.2 Impacts, risks and opportunities management
ESRS G1-1 United Nations Convention against Corruption DP 10 (b	X				n.a.
ESRS G1-1 Whistleblower Protection, DP 10 (d)	X				n.a.
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws DP 24 (a)	X		X		4.1 Business conduct – ESRS G1 4.1.3 Metrics and targets
ESRS G1-4 Standards of anti- corruption and anti- bribery DP 24 (b)	X				4.1 Business conduct – ESRS G1 4.1.3 Metrics and targets

Appendix 3 - Reconciliation Table between Material Topics and SDGs

MATERIAL TOPIC	GLOBAL GOALS	GROUP COMMITMENTS
Climate change		The Gruppo Magis promotes climate change mitigation strategies in order to reduce climate-changing emissions that have a direct impact on the quality of the environment in which we live. It pays great attention and makes important investments in developing renewable sources in order to create a more sustainable energy system, less dependent on fossil fuels and, therefore, less polluting.
Decarbonisation, energy efficiency and the use of renewable sources		The Magis Group is constantly committed to minimising its environmental impact, with particular regard to reducing CO2 emissions. In this regard, the Group is committed to implementing improvement plans aimed at containing and reducing its climate-changing emissions, through the continuous energy efficiency of its offices and plants and the progressive replacement of the company's fleet with new vehicles and cars with low environmental impact. To this end, it has implemented an effective energy management system in compliance with the international standard ISO 50001, which helps to ensure its commitment to improving the energy efficiency of our plants, reducing consumption and cutting costs.
Protection of the environment, biodiversity and ecosystems		The Magis Group is committed to safeguarding the natural value and biodiversity of the territories in which it operates and that are affected by the presence of its plants by implementing appropriate environmental safeguards and measures. While performing its activities, the Magis Group adopts a business model that is attentive to sustainable and environmentally responsible behaviour. It pays particular attention to the flora and fauna of the places where it operates, undertaking to carry out its activities by taking into account the needs of the surrounding ecosystem and to promptly correct any negative impacts that may occur as part of its business activities. In order to ensure maximum compliance with environmental regulations and relevant good practices, the Group has implemented an effective environmental management system in compliance with the international standard ISO 14001, which helps to ensure effective environmental risk management as well as preventing and reducing pollution.
Circular economy		Magis is committed to respecting the principles of sustainability and the circular economy through responsible use of natural resources and targeted use of new raw materials when carrying out its activities.
Smart cities and sustainable mobility		The Magis Group focuses on innovation and the green economy by providing robust development models for all the services offered with the aim of accompanying the public administration in the energy transition and digital transition and by supporting local communities with its effectiveness in managing energy efficiency projects and its expertise in managing complex projects such as the redevelopment of public buildings.
Development of distribution networks		The Gruppo Magis is committed to making its infrastructures increasingly resilient and able to remain available even in times of climate emergency, ensuring the continuous provision of essential services and helping to mitigate the effects of climate change in the territories where it is present with its assets.
Attention to customer needs and customer satisfaction		Magis promotes responsible management throughout the supply chain by adopting sustainable procurement policies in order to promote integrated and effective supply chain management capable of reducing the environmental and social impacts generated.
Corporate wellbeing, diversity and inclusion – protection of human rights		Attention to People is a central element of the Magis Group's growth project as they represent an essential factor for carrying out the activity and achieving the company objectives. Magis promotes an inclusive work environment that encourages work-life balance, values people, respects human dignity and individuality and is committed to ensuring that recruitment, development and career advancement are based on merit and free of any form of discrimination. In this context, the Group has implemented a gender equality management system in accordance with the PdR 125/2022 guidelines.

MATERIAL TOPIC	GLOBAL GOALS	GROUP COMMITMENTS
Occupational health and safety		Il Gruppo Magis considera la salute e sicurezza della persona un valore prioritario per il proprio modello di business. A tale proposito, ha implementato un efficace sistema di gestione conforme allo standard internazionale ISO 45001 che insieme all'attività di formazione e sensibilizzazione del personale svolge un ruolo fondamentale nella riduzione dei rischi inerenti alla salute e sicurezza del personale.
Commitment to local communities and protection of the territory		Magis sostiene lo sviluppo e la crescita economica delle persone che vivono nel territorio in cui opera il Gruppo, generando opportunità di lavoro e prediligendo la selezione di fornitori presenti a livello locale. Il Gruppo si impegna ad accrescere lo sviluppo e il benessere non solo economico, ma anche sociale e culturale delle comunità, grazie a sponsorizzazioni e liberalità, investendo in progetti in grado di generare un impatto positivo sulle persone.
Responsible supply chain management	 	The choice of suppliers is inspired by principles of impartiality, competence, competition and cost-effectiveness, as well as principles of transparency and excellence, in compliance with the highest quality standards. The supply relationships are based on compliance with the laws and regulations in force also in the field of labour, human rights, health and safety, environmental protection, the fight against corruption and illegality. Magis Group favours the selection of qualified and reliable suppliers and, wherever possible, suppliers located within its local area of operation. Support for local production is, in fact, an integral part of the Group's commitment to the communities where it operates, in order to foster the development of the local economy, promoting the creation of shared value. As evidence of its commitment to spreading its values and reference principles throughout its supply chain, Magis has adopted the Supplier Code of Conduct, which defines the rules of conduct that all suppliers and business partners must comply with in order to collaborate with the Group.
Technological innovation and digital transformation		The Magis Group is committed to adopting innovative technologies capable of ensuring cultural and social evolution, in an efficient business context, also with respect for the protection of personal data.
Governance geared towards sustainable success		The Magis Group organises its business activities in order to achieve sustainable success to benefit its stakeholders.
Business integrity and corporate reputation		The Magis Group carries out business activities inspired by high standards of fairness, loyalty, integrity and transparency and in compliance with current legislation. In this regard, the Group adopts policies aimed at spreading the culture of legality, protecting the company's reputation, thus ensuring value creation over time. Believing that the fight against corruption is a core value in the management of its business operations, Magis has voluntarily established and adopted its Group Code of Ethics di Gruppo, la Anti-Corruption Policy and, where considered appropriate, an Organisation, Management and Control Model in accordance with Legislative Decree 231/2001.

Appendix 4 – Index of tables

Ref. Chapter / Paragraph	Table
2.6.3 Results of the Group's Eco-Sustainable Activities	34 – Revenue from eligible and non-eligible activities
	35 – Proportion of revenue
	36 – Operating expenditure from eligible and non-eligible activities
	37 – Proportion of operating expenditure
	38 – Capital expenditure from eligible and non-eligible activities
2.6.4 Key performance indicators (KPIs) pursuant to the European Taxonomy	40 – Share of turnover deriving from products or services associated with economic activities aligned with the Taxonomy
	41 – Share of operating expenditure (OPEX) deriving from products or services associated with economic activities aligned with the Taxonomy
	42 – Share of capital expenditure (Capex) deriving from products or services associated with economic activities aligned with the Taxonomy
	43 – Nuclear energy-related activities
	44 – Fossil gas related activities
	45 – Economic activities related to nuclear and fossil gas that are eligible but not aligned with the taxonomy
3. Social information	
3.1.2 Impacts, risks and opportunities management	46 – Targets for reducing the frequency rate and severity rate
3.1.3 Metrics and targets	47 – Workforce distribution by gender and location (no.)
	48 – Workforce by contract type (permanent / fixed-term / variable hours) and gender (no.)
	49 – Workforce by contract type (full-time / part-time) and gender (no.)
	50 – Workforce by contract type (permanent/fixed-term/variable hours) and location (no.)
	51 – Workforce by contract type (full-time / part-time) and location (no.)
	52 – Recruitment broken down by gender, age, and location (no.)
	53 – Terminations broken down by gender, age, and location – environmental focus (no.)
	54 – Employee inflow and outflow turnover
	55 – Workforce distribution by gender and job level (no.)
	56 – Workforce distribution by age and job level (no.)
	57 – Remuneration metrics (pay gap and total compensation)
	58 – Average training hours per employee by gender and job level (no.)
	59 – Training hours by gender and job level (no.)
	60 – Health and safety metrics of the Group's own workforce
	61 – Health and safety metrics relating to value chain workers operating at the Group's sites
3.4.2 Impacts, risks and opportunities management	62 – Distribution of customers by type of supply (no.)
	63 – Geographical distribution of customers (%)
	64 – Average waiting time at desks without an appointment
	65 – Call centre service performance
	66 – Customers served at the desk
	67 – Call centre calls
	68 – Bills issued
	69 – Bill payment methods
	70 – Contracts eligible for the social bonus

Appendix 5 – Index of figures

Independent Auditor's Report on the Consolidated Sustainability Report

MAGIS S.p.A. (formerly AGSM AIM S.p.A.)

Independent auditors' limited assurance report on the consolidated sustainability report pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

Consolidated sustainability report at 31 december 2025

AFBN/SBRG/scr - RC077002025AS0398

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Via Ludovisi, 16
00187 Roma

Independent auditors' limited assurance report on the consolidated sustainability report pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

To the shareholders of
MAGIS S.p.A. (formerly AGSM AIM S.p.A.)

Conclusion

Pursuant to articles 8 and 18.1 of Legislative decree no. 125 of 6 September 2024 (the "Decree"), we have been engaged to perform a limited assurance engagement on the 2025 consolidated sustainability report of the Magis Group (formerly AGSM AIM) (the "Group") prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated management report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the group's 2025 consolidated sustainability report has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in the "European Taxonomy Disclosure" section required by article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the "taxonomy regulation") of the consolidated sustainability report has not been prepared, in all material respects, in accordance with article 8 of the taxonomy regulation.

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under that standard are further described in the "*Auditors' responsibilities for the consolidated sustainability assurance engagement*" section of our report.

We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.

Our company applies International Standard on Quality Management (ISQM Italia) 1 and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the directors and audit committee of MAGIS S.p.A. (formerly AGSM AIM S.p.A.) for the consolidated sustainability report

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability report in accordance with the ESRS (the "materiality assessment process") and for the description of these procedures in the "Key sustainability issues" section of the consolidated sustainability report.

The directors are also responsible for the preparation of a consolidated sustainability report in accordance with article 4 of the Decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the "European Taxonomy Disclosure" section with article 8 of the Taxonomy Regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The Board of Auditors is responsible for overseeing, within the terms established by the Italian law, compliance with the Decree's provisions.

Inherent limitations in preparing the consolidated sustainability report

For the purpose of disclosing forward-looking information in accordance with the ESRS, the Directors are required to prepare such information based on assumptions, described in the consolidated sustainability report, regarding future events and the group's actions that are not necessarily expected to occur. Actual results are likely to be different from the forecast sustainability information since anticipated events frequently do not occur as expected and the variation could be material.

The information disclosures by the Group about greenhouse gas Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative Scope 3 information from value chain.

Auditors' responsibilities for the consolidated sustainability assurance engagement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the consolidated sustainability report is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the consolidated sustainability report.

As part of a limited assurance engagement in accordance with SSAE (Italia), we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due
- designing and performing procedures to address disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.

Summary of the work performed

A limited assurance engagement involves carrying out procedures to obtain evidence as a basis for our conclusion.

The procedures performed are based on our professional judgement and include inquiries, primarily of the MAGIS S.p.A. (formerly AGSM AIM S.p.A.) personnel responsible for the preparation of the information presented in the consolidated sustainability report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

We have performed the following main procedures:

- we gained an understanding of the Group's business model, strategies and operating environment with regard to sustainability matters;
- we gained an understanding of the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the consolidated sustainability report;
- we gained an understanding of the process adopted by the Group to identify and assess material sustainability-related impacts, risks and opportunities, based on the double materiality principle;
- identified disclosures where a material misstatement was likely to occur, whether due to fraud or error;
- we designed and performed procedures, based on our professional judgement, to respond to identified risks of material misstatement;
- we gained an understanding of the process adopted by the Group to determine taxonomy-eligible activities and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the consolidated sustainability report;
- we checked the consistency of the disclosures contained in the consolidated sustainability report with the those included in the consolidated financial statements pursuant to the applicable financial reporting framework, the underlying accounting records or the accounting management figures;
- we checked the structure and presentation of disclosures included in consolidated sustainability report in accordance with the ESRS;
- we obtained the representation letter.

Rome, 5 May 2026

BDO Audit Services S.r.l.

Signed in the original by

Alessandro Fabiano

Partner

This independent auditors' limited assurance report has been translated into English language from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

MAGIS S.p.A. (formerly AGSM AIM S.p.A.)

Independent auditors' limited assurance report on the consolidated sustainability report pursuant to article 14-bis of Legislative decree no. 39 of 27 January 2010

Consolidated sustainability report at 31 december 2025

AFBN/SBRG/scr - RC077002025AS0398

Consolidated Financial Statements

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1. Consolidated statement of financial position

STATEMENT OF FINANCIAL POSITION – ASSETS	NOTES	2025	2024
NON-CURRENT ASSETS			
Intangible assets	1	455.373.600	436.456.563
Tangible assets	2	700.191.894	532.251.657
Goodwill	3	78.085.698	52.984.566
Equity investments	4	17.732.947	16.759.644
Other non-current financial assets	5	62.235.234	45.153.199
Deferred tax assets	6	45.069.849	42.391.420
Other non-current assets	7	8.665.086	7.375.990
Total non-current assets		**1.367.354.307**	**1.133.373.038**
CURRENT ASSETS			
Inventories	8	17.888.838	17.759.335
Trade receivables	9	456.600.741	515.928.836
Current financial assets	10	2.069.061	639.907
Current tax assets	11	4.248.895	11.028.835
Other current assets	12	52.815.653	59.276.152
Cash and cash equivalents	13	62.576.113	27.130.007
Total current assets		**596.199.302**	**631.763.071**
Assets held for sale	14	2.200.000	2.200.000
TOTAL ASSETS		**1.965.753.609**	**1.767.336.110**
STATEMENT OF FINANCIAL POSITION - LIABILITIES			
EQUITY	**15**		
Share capital		95.588.235	95.588.235
Legal reserve		19.117.647	18.574.469
Other reserves		535.279.017	516.091.055
Profit (loss) for the year		54.086.084	48.857.956
Group Total Equity		**704.070.984**	**679.111.716**
Net equity attributable to minority interests		22.850.589	21.597.238
Total Equity		**726.921.572**	**700.708.954**
NON-CURRENT LIABILITIES			
Non-current financial liabilities	16	292.157.389	169.483.390
Employee benefits	17	17.498.185	18.074.151
Provision for risks and charges	18	75.891.483	64.211.336
Deferred tax liabilities	19	45.110.201	26.776.311
Other non-current liabilities	20	46.829.843	28.918.175
Total non-current liabilities		**477.487.101**	**307.463.363**
CURRENT LIABILITIES			
Current financial liabilities	21	302.041.027	234.718.245
Trade payables	22	341.781.734	381.909.997
Current tax liabilities	23	3.591.535	11.381.020
Other current liabilities	24	113.930.639	131.154.531
Total current liabilities		**761.344.935**	**759.163.793**
Liabilities held for sale	-	-	-
TOTAL LIABILITIES AND EQUITIES		**1.965.753.609**	**1.767.336.110**

2. Consolidated income statement

INCOME STATEMENT	NOTES	2025	2024
Revenue		**2.158.008.435**	**1.915.429.991**
Revenue from sales and services	25	2.089.375.406	1.848.548.550
Change in inventories	26	517.358	(1.014.699)
Other revenue	27	68.115.671	67.896.140
Operating costs		**1.852.100.216**	**1.639.297.813**
Costs for raw materials and consumables	28	1.033.352.773	864.900.285
Costs for services	29	778.188.644	733.810.765
Costs for the use of third-party assets	30	14.397.911	15.129.437
Other operating costs	31	26.160.887	25.457.325
Added value		**305.908.219**	**276.132.179**
Personnel costs	32	101.974.043	96.950.905
EBITDA		**203.934.177**	**179.181.273**
Amortisation, depreciation, and provisions	**33**	**103.137.068**	**90.561.874**
Amortisation and depreciation		80.479.601	78.779.715
Write-down of receivables		12.231.710	8.959.238
Other provisions		5.283.633	2.608.025
Impairment of fixed assets		5.142.123	214.896
Net operating income		**100.797.109**	**88.619.399**
Financial position		**(12.948.808)**	**(12.634.824)**
Income from equity investments	34	309.404	556.444
Financial income	35	2.791.449	2.955.122
Financial expenses	36	(16.802.416)	(16.708.185)
Adjustments to financial assets	37	752.755	561.794
Pre-tax profit (loss)		**87.848.301**	**75.984.574**
Income taxes	38	29.896.148	23.374.906
Profit (loss) from operations		**57.952.153**	**52.609.668**
Profit (loss) for the year		**57.952.153**	**52.609.668**
Profit (Loss) attributable to the Parent		54.086.084	48.857.956
Profit (loss) attributable to minority interests		3.866.068	3.751.712

Other comprehensive income that will not be subsequently reclassified to profit or loss	2025	2024
Actuarial gains/(losses) for employee benefits	(22.193)	1.733.199
Tax effect on actuarial gains (losses) for employee benefits	5.326	(175.951)
Total actuarial gains (losses) net of the tax effect (B)	**(16.867)**	**1.557.249**
Change in the fair value of cash flow hedging derivatives	1.834.886	(3.970.926)
Tax effect on change in the fair value of cash flow hedging derivatives	(440.373)	953.022
Total actuarial gains (losses) net of the tax effect (C)	**1.394.513**	**(3.017.904)**
Total comprehensive profits (losses) net of tax effect (B) + (C)	**1.377.646**	**(1.460.655)**
Total comprehensive income (A) + (B) + (C)	**59.329.799**	**51.149.013**

3. Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS	2025	2024
A. Cash flows from operating activities (indirect method)		
Profit (loss) for the year	57.952	52.610
Income taxes	29.896	23.375
Interest expense	16.802	16.708
Interest income	(2.791)	(3.090)
(Dividends)	(309)	(421)
Losses deriving from the sale of assets	1.429	2.980
(Gains) deriving from the sale of assets	(576)	(335)
Profit/(loss) for the year before income taxes, interest, dividends and gains/losses on sales	**102.403**	**91.827**
Adjustments for non-cash items with no impact on working capital		
Accruals and provisions	21.481	22.665
Amortisation and depreciation	80.479	78.584
Impairment	5.142	215
Value adjustments of financial assets and liabilities of financial derivatives that do not involve monetary movement	(752)	-
Other non-monetary adjustments	-	(562)
Cash flow before changes in working capital	**208.753**	**192.729**
Changes in net working capital		
Decrease/(increase) in inventories	(130)	3.521
Decrease/(increase) in trade receivables	47.096	(121.242)
Increase/(decrease) in trade payables	(40.128)	124.257
Decrease/(increase) in accrued income and prepaid expenses	(2.592)	1.359
Increase/(decrease) in accrued expenses and deferred income	11.218	511
Other changes in net working capital	(35.133)	16.858
Cash flows after changes in NWC	**189.084**	**217.991**
Other adjustments		
Interest received	2.791	3.090
(Interest paid)	(16.802)	(16.708)
(Income tax paid)	(23.375)	(24.612)
Dividends received	309	421
(Use of provisions)	(2.001)	(17.846)
Cash flows from operating activities (A)	**150.008**	**162.336**
B. Cash flows from investing activities		
Intangible assets		
(Investments)	(50.261)	(49.051)
Disinvestments	1.192	50
Tangible fixed assets		
(Investments)	(101.971)	(86.544)
Disinvestments	2.018	(283)
Financial fixed assets		
(Investments)	(17.403)	(1.300)
Disinvestments	-	318
Non-current financial assets		
(Investments)	(121)	(1.209)
(Acquisition of subsidiaries or business units net of cash)	(81.058)	(142)
Cash flows from investing activities (B)	**(247.603)**	**(138.161)**
C. Cash flows from financing activities		
Third party financing		
Increase (decrease) in short-term payables to banks	115.568	2.451
Raising of bonds	49.459	45.086
Raising of loans	149.884	31.035
Increase (decrease) in short-term payables for leases and factoring	(3.944)	644
Repayment of loans	(140.829)	(67.171)
Own funds		
Dividends (and interim dividends) paid	(37.100)	(35.877)
Cash flows from financing activities (C)	**133.039**	**(23.833)**
Increase (decrease) in cash and cash equivalents (A± B ± C)	**35.444**	**343**
Cash and other cash equivalents at the beginning of the year	**27.132**	**26.790**
of which:		
bank and postal accounts	27.025	26.682
cheques		
cash-in-hand and cash equivalents	108	108
Cash and other cash equivalents at the end of the year	**62.576**	**27.132**
of which:		
bank and postal accounts	62.576	27.025
cash-in-hand and cash equivalents	-	108

4. Statement of changes in consolidated equity

Consolidated Statement of Changes in Equity for the year

Equity	Share capital	Share premium/ contribution reserve	Revaluation surplus	Legal reserve	Extraordinary reserve	Capital grants reserves	Transformation reserve as per Law 127/97	IFRS FTA Reserve	Other reserves
Opening Balance	95.588	384.339	7.385	18.574	3.875	3.194	34.836	(879)	31.582
Allocation of the result	-	-	-	543	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	199
Other changes	-	-	-	-	-	-	-	-	(829)
Foreign exchange difference	-	-	-	-	-	-	-	-	43
Profit (loss) for the year	-	-	-	-	-	-	-	-	-
Closing Balance	**95.588**	**384.339**	**7.385**	**19.118**	**3.875**	**3.194**	**34.836**	**(879)**	**30.995**

Equity	Cash flow hedge reserve	Retained earnings (losses)	Consolidation reserve	Profit (loss) for the year	Group Total Equity	Minority interests in share capital and reserves	Profit (loss) attributable to minority interests	Net equity attributable to minority interests	Total equity
Opening Balance	(270)	32.952	19.079	48.858	679.112	17.846	3.752	21.597	700.709
Allocation of the result	-	48.315	-	(48.858)	-	3.752	(3.752)	-	-
Changes in scope	-	-	41	-	41	(561)	-	(561)	(519)
Dividends paid	-	(28.900)	-	-	(28.900)	(2.346)	-	(2.346)	(31.246)
Other comprehensive income	92	-	1.033	-	1.324	53	-	53	1.378
Other changes	-	(2.306)	1.500	-	(1.636)	201	-	201	(1.435)
Foreign exchange difference	-	-	-	-	43	39	-	39	82
Profit (loss) for the year	-	-	-	54.086	54.086	-	3.866	3.866	57.952
Closing Balance	**(178)**	**50.059**	**21.653**	**54.086**	**704.071**	**18.985**	**3.866**	**22.851**	**726.922**

Consolidated Statement of Changes in Equity for the Previous Year

Equity	Share capital	Share premium/contribution reserve	Revaluation surplus	Legal reserve	Extraordinary reserve	Capital grants reserves	Transformation reserve as per Law 127/97	IFRS FTA Reserve	Other reserves
Opening Balance	95.588	384.339	7.385	16.348	3.875	3.194	34.836	(879)	32.212
Allocation of the result	-	-	-	2.226	-	-	-	-	160
Changes in scope	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	(1.066)
Other changes	-	-	-	-	-	-	-	-	-
Foreign exchange difference	-	-	-	-	-	-	-	-	276
Profit (loss) for the year	-	-	-	-	-	-	-	-	-
Closing Balance	**95.588**	**384.339**	**7.385**	**18.574**	**3.875**	**3.194**	**34.836**	**(879)**	**31.582**

Equity	Cash flow hedge reserve	Retained earnings (losses)	Consolidation reserve	Profit (loss) for the year	Group Total Equity	Minority interests in share capital and reserves	Profit (loss) attributable to minority interests	Net equity attributable to minority interests	Total equity
Opening Balance	43	35.940	19.079	27.057	659.017	18.033	2.348	20.381	679.398
Allocation of the result	-	24.671	-	(27.057)	-	2.348	(2.348)	-	-
Changes in scope	-	-	-	-	-	(321)	-	(321)	(321)
Dividends paid	-	(27.800)	-	-	(27.800)	(2.235)	-	(2.235)	(30.035)
Other comprehensive income	(313)	-	-	-	(1.379)	(92)	-	(92)	(1.471)
Other changes	-	141	-	-	139	5	-	5	144
Foreign exchange difference	-	-	-	-	277	107	-	107	384
Profit (loss) for the year	-	-	-	48.858	48.858	-	3.752	3.752	52.610
Closing Balance	**(270)**	**32.952**	**19.079**	**48.858**	**679.112**	**17.846**	**3.752**	**21.597**	**700.709**

5. Operating segment disclosure

Information about the Business Units is prepared in accordance with the provisions of IFRS 8 "Operating segments" that require the presentation of this information in a manner consistent with the methods adopted by management to make operational decisions. Consequently, the identification of the operating segments and the information provided are determined based on the internal reporting system used by management for the purpose of allocating resources to the different segments and analysing the respective performance. IFRS 8 defines an operating segment as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- for which discrete financial information is available.

The Business Units in which the company operates are:

- Power: management of plants for producing electricity from different energy sources
- Heat: production of electricity and heat with cogeneration and thermal energy distribution systems;
- Networks: management of the gas and electricity distribution and metering service;
- Market: sale of electricity, gas and heat for district heating;
- Smart: public lighting, telecommunications, parking management and sustainable mobility
- Environment: sweeping, collection, treatment and disposal of waste;

These operating segments are presented in accordance with IFRS 8, which requires that segment reporting be based on the elements that management uses to make its own operating and strategic decisions. The following segment reporting does not contain the secondary segment reporting broken down by geographic area, given that the Group chiefly operates in one area (north-east Italy).

	POWER BU	HEAT BU	MARKET BU	NETWORKS BU	SMART BU	ENVIRONMENT BU	CORPORATES AND ELIMINATIONS	CONSOLIDATED
Value of production	**74**	**62**	**1.879**	**156**	**25**	**130**	**(168)**	**2.158**
Costs of production	**(39)**	**(55)**	**(1.799)**	**(89)**	**(19)**	**(119)**	**165**	**(1.954)**
EBITDA	**36**	**6**	**80**	**67**	**6**	**11**	**(2)**	**204**
EBITDA Margin	48%	10%	4%	43%	25%	8%	1%	9%
EBIT	**24**	**3**	**64**	**36**	**1**	**-**	**(28)**	**101**
EBIT Margin	32%	5%	3%	23%	5%	0%	16%	5%
EBT	**23**	**2**	**66**	**31**	**1**	**1**	**(36)**	**88**
EBT Margin	31%	4%	3%	20%	4%	1%	21%	4%
Tax for the year	(7)	(1)	(21)	(9)	-	(1)	9	(30)
Profit	**16**	**2**	**45**	**22**	**1**	**-**	**(27)**	**58**
Profit %	22%	3%	2%	14%	3%	0%	16%	3%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting standards and basis of preparation

Basis of preparation

The Consolidated Financial Statements of the Magis Group as at 31 December 2025 comprise the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and the related explanatory notes.
These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005. The IFRS also include all the revised international accounting standards ("IAS"/"IFRS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").
With reference to the obligation to prepare the consolidated financial statements in XHTML format, it should be noted that pursuant to the exemption provided for in Article 83 of Regulation 11791/99 (issuers of debt securities with a unit value of at least Euro 100,000) Magis S.p.A. is not required to comply with the above requirement. This is also confirmed under Irish law, as per the specific legal opinion obtained.

Going concern

During 2025, several events occurred that led to complex issues affecting the stability of the global economy, including conflicts between countries, rising inflation rates, energy instability, the supply chain crisis and uncertainty in the global banking sector. These matters also have effects on the assessment of going concern and, in particular, have required constant and systematic monitoring of business results with particular attention to analysing deviations from forecasts. This monitoring was formalised on 13 January 2025 through the approval of the model for the analysis and monitoring of suitable administrative and accounting arrangements and the guidelines for detecting signs of crisis pursuant to Article 3, Legislative Decree 14/2019. The management analysed the management and financial indicators that did not reveal any risks linked to the ability of the Magis Group to operate on a going concern basis.
In consideration of the results for the year, which also include the impacts connected with the geopolitical situation, the management analysed the forecasts made with regard to possible future scenarios, including the effects of climate change as far as they can be foreseen, excluding any impairment in the various cash generating units (CGUs) in which it is organised, also in view of the existing considerable margins.
During the year, the Company prepared the 2025-2030 Business Plan to address global challenges mainly related to the energy transition, digital innovation, climate change and geopolitical tensions.
In particular, the potential impacts arising from physical climate changes (both chronic and acute), together with trends relating to the energy transition, have been taken into account by the company management to appropriately assess the effects on the Group's current and expected results – for example, in the construction of the scenarios used for the preparation of the current 2025–2030 Business Plan, approved in October 2025.
Based on the performance of activities, the joint analysis of the 2025-2030 Business Plan and the ability to access credit, the management believes that it is in a position to proceed with managing and developing activities without questioning its ability to operate as a going concern.
Consequently, these consolidated financial statements have been prepared on a going concern basis as it is reasonable to expect that the Group will continue to operate in the near future and, in any case, for at least twelve months, as set out in IAS 1.25-26.

Financial statement formats adopted

These financial statements have been prepared on a historical cost basis, except for some financial instruments that are measured at fair value. Information about the financial statement formats applied, compared to those set out in IAS 1, and the method used to present cash flows in the statement of cash flows, compared to the provisions of IAS 7, is provided below.

- In the comprehensive income statement, costs are classified by nature based on a "graduated" classification. It is believed that this type of presentation, which is also used by the Group's principal competitors and is consistent with international practice, best represents the results of the business.
- The statement of comprehensive income comprises the profit or loss for the year and the income and expense, grouped by consistent categories, which, based on the IFRS, are allocated directly to equity.
- In the statement of financial position, current assets and current liabilities are presented separately from non-current assets and liabilities, respectively, in accordance with IAS 1.
- The columns of the statement of changes in equity reconcile the opening and closing balances of each equity caption.
- The statement of cash flows classifies cash flows by operating, investing and financing activities. Specifically, cash flows from operating activities are presented using the indirect method in accordance with IAS 7, whereby the profit or loss for the year is adjusted to reflect the effects of non-monetary transactions, prepayments and accrued income and accrued expenses or deferred income and revenue or cost items related to future cash flows from investing or financing activities.

Principles and scope of consolidation

The consolidated financial statements have been prepared on the basis of draft financial statements approved by the respective management bodies. The accounting standards described below have been consistently applied by all Group companies. The financial statements have been modified, as necessary, to make them compliant with the Group accounting standards, which are in turn compliant with the IFRS adopted by the European Union.

The subsidiaries have been consolidated on a line-by-line basis since their acquisition date, or from the date when the Group gained control of them, and they are no longer consolidated from the date when control is transferred outside the Group.

All intra-group balances and transactions, including any unrealised profits and losses deriving from relationships between Magis companies, have been completely eliminated.

The acquisitions of subsidiaries are recognised according to the purchase method. This requires allocation of the cost for the business combination at the fair value of the assets, liabilities and contingent liabilities acquired at the acquisition date, and inclusion of the loss or profit of the acquired company from the acquisition date until the end of the year.

The minority interests in profit or loss and equity represent the portion of profit or loss and equity pertaining to the net assets not owned by the Group. They are shown in a separate account of the consolidated statement of comprehensive income and the consolidated statement of financial position, separately from the profits or losses and equity of the Group.

The associates are those in which the Group owns at least 20% of the voting rights or where it exercises a significant influence, which is not control or joint control, over financial and operating policies. Equity investments in associates were measured using the equity method. The Group's share of profit or loss is recognised in the consolidated financial statements from the date on which the significant influence began and until the date when it ends.

The reporting date of the consolidated financial statements coincides with the year-end date of the Parent Company's separate financial statements and those of the companies included within the scope of consolidation.

As at 31 December 2025, the scope of consolidation, using the line-by-line consolidation method, was as follows:

- V-RETI S.p.A., 99.83% owned
- Magis Energia S.p.A., 96.27% owned
- Magis Smart S.r.l., 100% owned
- Magis Calore S.r.l., 100% owned
- Magis Power S.r.l., 100% owned
- Magis Ambiente S.r.l., 100% owned
- Valore Ambiente S.r.l. - 100% owned company
- ECO TIRANA Sha - 49% owned investee
- CogasPiù Energie S.r.l., 100% indirectly owned
- Global Power S.p.A., 100% indirectly owned
- Global Power Plus S.r.l., 100% indirectly owned
- Agisco S.r.l., 51% indirectly owned
- Smart Care 1 S.r.l., 100% indirectly owned
- Consorzio Industriale Canale G. Camuzzoni di Verona S.c.ar.l, 75% indirectly owned
- Parco Eolico Carpinaccio S.r.l. - 63% indirectly owned
- Parco Eolico Riparbella S.r.l. - 63% indirectly owned
- Juwi Development 02 S.r.l., 100% indirectly owned (merged into Magis Power S.r.l. on 1 January 2026)
- Juwi Development 08 S.r.l., 100% indirectly owned (merged into Magis Power S.r.l. on 1 January 2026)
- Bortoli Total Green S.r.l., 100% indirectly owned (merged into Magis Power S.r.l. on 1 January 2026)
- RF Sirio S.r.l., 100% indirectly owned (merged into Magis Power S.r.l. on 1 January 2026)
- RF Vega S.r.l., 100% indirectly owned (merged into Magis Power S.r.l. on 1 January 2026)
- Delsis S.r.l., 100% indirectly owned
- Manfredonia Wind S.r.l., 100% indirectly owned
- Carapelle 1 S.r.l., 100% indirectly owned
- SERIT S.r.l., 99.74% indirectly owned
- Società Igiene Territorio S.p.A. - 100% indirectly owned
- Società Intercomunale Ambiente S.r.l. - 49% indirectly owned
- Blueoil S.r.l. (in liquidation), 100% indirectly owned%

while the company Green Hydrogen Venezia S.r.l., 50% indirectly owned, was included in the scope of consolidation using the proportional method.

Accounting standards

Introduction

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and financial assets held for sale, which are recognised at fair value.
There are no held-to-maturity investments. Financial transactions are recognised at the trade date.
The accounting standards used to prepare the consolidated financial statements at 31 December 2025 have also been uniformly applied to all corresponding periods.
The amounts presented in the financial statements are shown in Euro, whilst in the notes they are shown in thousands of Euros, unless otherwise stated.

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, including direct charges necessary to bring the asset to use. Cost comprises the finance costs directly attributable to the acquisition, construction or production of the asset. Cost also includes the expected costs of dismantling and removing the asset and restoring it to its original condition if a contractual obligation exists.
The costs incurred for extraordinary maintenance and repairs are recognised directly when incurred. The costs to expand, renovate or improve the structural elements owned or used by third parties are capitalised solely to the extent that they meet the conditions for being classified separately as an asset or as part of an asset under the component approach.
The other costs that increase the value of assets are attributed to the non-current assets to which they refer, in accordance with IAS 16. They are depreciated according to the remaining useful life of the assets to which they refer. Expenses increasing the value of an asset are those that reasonably cause an increase in its future economic benefits, for example by extending its useful life, expanding production capacity, improving product quality and adopting production processes that substantially reduce production costs.
In accordance with Article 2426 Italian Civil Code, property, plant and equipment and assets under construction are recognised at their purchase and/or production cost, including directly attributable charges, while reducing the cost by the commercial and cash discounts of a significant amount.
For plants constructed internally, the cost of the materials used, the cost of labour for the personnel used, the related social security costs, the accruals to employee severance indemnities and the portion of internal services that can be reasonably attributed to them have been accounted for.
The depreciation charged to the income statement have been calculated according to the use, purpose, and useful life of the assets over their residual useful life.
Assets under construction comprise the direct costs incurred until 31 December 2024. Depreciation begins on the date that each asset becomes operative.
The expenses that increase the value of the assets, and the maintenance that results in a significant and tangible increase in production capacity or that lengthens the useful life of the assets are capitalised and generally increase the carrying amount of the related asset and are depreciated over the asset's residual useful life. Ordinary maintenance costs are expensed directly in the comprehensive income statement.
In regard to landfills, depreciation of the total cost incurred for their construction has been allocated in proportion to the volume occupied by the waste delivered to the landfill during the financial year with respect to its total authorised volume, or in proportion to the biogas produced if the receiving capacity has been exhausted.
Regardless of the depreciation that has already been recognised, if an item of property, plant and equipment is impaired, its carrying amount is reduced accordingly. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Leases

Right-of-use assets are recognised on the start date of the lease, i.e. the date on which the underlying asset is available for use.

Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, and adjusted for any restatement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made on or before the commencement of the lease. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.
Lease liabilities are recognised at the present value of lease payments not yet paid at the reporting date. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the option will be exercised.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance that can be controlled and from which future economic benefits are expected. They are initially recognised at purchase and/or development cost, including direct expenses necessary to bring the asset to use. Interest expense, if any, accrued during and for the development of intangible assets, are considered part of the acquisition cost. In particular, the following intangible assets can be identified in the Group. Intangible assets with a finite useful life are amortised over their useful life and are assessed whenever there are indications of impairment. Intangible assets that do not have a finite useful life are not amortised but tested annually instead for impairment.
It should be noted that the Group companies managing landfill sites are required, under the agreements entered into with the granting authorities and/or the administrative authorisations granted, to restore the original condition of the land used at the end of the activity. These obligations entail the incurrence of significant environmental restoration costs (such as, by way of example, covering with soil, re-profiling and planting), which may extend over several financial years after the landfill's capacity has been exhausted.
The updated estimate reflects a more accurate determination of future dismantling and restoration costs, carried out on the basis of the best information available at the reporting date. These costs are capitalised as part of the value of the assets to which the obligation relates, with the corresponding recognition of a specific provision for dismantling and restoration costs, determined on the basis of the best estimate of future costs. Costs directly related to the waste deposited are excluded from the initial estimate, as they are not included in the site restoration obligation.
Where the dismantling and/or restoration obligation relates to assets not recognised under the Group's property, plant and equipment, such as assets held under concession, lease or usufruct, the corresponding entry to the provision is recognised as an intangible asset, recognised under other intangible assets, subject to verification of its recoverability.

a) Rights on assets under concession (IFRIC 12)

Under IFRIC 12, the infrastructure used in a public-to-private service concession arrangement will not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator must either recognise a financial asset to the extent that it has an unconditional contractual right to receive cash (or another financial asset from or at the direction of the grantor for the construction services) or recognise an intangible asset to the extent that it receives a right ('licence') to charge users of the public service. Based on the Magis Group's service concession agreements, the infrastructure used is recognised using the "intangible asset model". The "Rights on assets under concession" represent the Group's right to use the assets under concession of the Integrated Water Services, the Integrated Gas Services, and the Integrated Energy Services (the so-called intangible asset model), considering the fees and the costs of implementation, with the obligation to return the asset at the end of the concession.

b) Software and other intangible assets

Software and other intangible assets are recognised at cost, as described earlier, net of accumulated amortisation and impairment losses, if any. Amortisation begins when the asset is available for use and it is charged systematically over the residual period of benefit, that is, over the estimated useful life.

Impairment of tangible and intangible assets

At each reporting date, the Group checks whether there are any indications of impairment of intangible assets and property, plant and equipment. Both internal and external sources of information are used for this purpose. Internal sources include obsolescence or physical damage, significant changes in the use of the asset and the economic performance of the asset compared to estimated performance. External sources include the market value of the asset, changes in technology, markets or laws, trend in market interest rates and the cost of capital used to evaluate investments.
When indicators of impairment exist, the carrying amount of the assets is reduced to the recoverable amount and any impairment loss is recognised in profit or loss. The recoverable amount of an asset is the higher of fair value less costs to sell and its value in use, the latter being the present value of future cash flows estimated for the asset in question. In calculating the value in use, the expected future cash flows are discounted at current value using a pre-tax discount rate that reflects current market valuations of the time value of money, proportionate to the investment period, and the risks specific to the asset. For assets that do not generate largely independent cash flows, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
If the carrying amount of the cash-generating unit exceeds the recoverable amount, an impairment loss is recognised in profit or loss. The impairment loss is initially recognised as a deduction of the carrying amount of goodwill allocated to the cash-generating unit and then only applied to the other assets of the cash-generating unit in proportion to their carrying amount, up to the recoverable amount of the assets with a finite useful life. If the reasons that gave rise to an impairment loss no longer exist, the carrying amount of the asset is recognised again in profit or loss, up to the carrying amount that would have been recognised had no impairment loss been recognised and if normal amortisation/depreciation had been applied.

Trade receivables and other current and non-current assets

Trade receivables and other financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade receivables and other financial assets are included in current assets, except for those with a contractual due date beyond twelve months after the reporting date, which are classified as non-current assets.
Impairment losses on receivables are recognised when there is objective evidence that the Group will no longer be able to recover the receivables due from the counterparty based on the contract terms.
Objective evidence includes events such as:

- significant financial difficulties of the counterparty;
- legal disputes with the counterparty over the receivables;
- probability that the counterparty will declare insolvency or other financial restructuring procedure.

The impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows and is recognised in profit or loss. If, in subsequent years, the reasons for the impairment cease to exist, the carrying amount of the asset is reinstated up to the amount that would have been recognised had the amortised cost been applied.

The valuation of financial assets is carried out based on the credit loss valuation model in application of the simplified model of expected losses envisaged by IFRS 9. The amount to be set aside was determined using information that could be supported and was available at the end of the reporting period.

Financial assets, relating to non-derivative financial instruments, with fixed or determinable payments and fixed maturity dates, which the Group intends and has the ability to hold until maturity, are classified as "held-to-maturity investments". Such assets are measured at amortised cost using the effective interest method, adjusted by impairment losses, if any. Whenever there are impairment losses, the same policies as described above for loans and receivables are applied.

Available-for-sale financial assets, including investments in other companies representing available-for-sale assets, are measured at fair value, if determinable. Changes in fair value are recognised directly in an equity reserve in other comprehensive income until they are disposed of or impaired, at which time they are reversed to profit or loss. Other unlisted investments classified as "available-for-sale financial assets" whose fair value cannot be measured reliably are measured at cost adjusted by any impairment losses, which are recognised in consolidated profit or loss, as required by the new standard IFRS 9.

Equity investments

Equity investments in associates and joint ventures are recognised using the equity method. Under this method, the equity investment in an associate or a joint venture is initially recognised at cost, and the carrying amount is increased or decreased to reflect the investor's share of the profit or loss of the investee after the date of acquisition. Goodwill relating to an associate or a joint venture is included in the carrying amount of the equity investment and, as it is not separately recognised, it is not tested for impairment separately. Other equity investments are measured at cost.

Inventories

Raw materials, supplies and finished products are recognised at the lower of their purchase or manufacturing cost and their realisable value based on market trends, by applying the weighted average cost method.

The resulting amount is subsequently adjusted through the specific "provision for inventory obsolescence", to account for the goods whose realisable value is expected to be less than their cost.

Gas in stock is measured at the lower of the weighted average purchase price and market value.

Contract work in progress whose duration falls within the year is measured according to the costs incurred as documented in the progress reports.

Long-term contract work in progress is recognised based on the consideration paid.

White Certificates (Energy Efficiency Certificates – EEC)

The Group holds Energy Efficiency Certificates ("EEC") exclusively for its own use, i.e. to cover its own requirements ("Industrial Portfolio"), while it does not own units/certificates for trading purposes ("Trading Portfolio").

The EEC held for own use ("Industrial Portfolio") purchased to cover its own needs (determined according to its obligations that have accrued at the end of the year) are recognised as current assets at fair value according to their estimated realisable value.

Moreover, a "Provision for Liabilities" is recognised by measuring the EEC yet to be purchased (to meet annual obligations) as the difference between the value of the contribution and the market value of the EEC. The accruals are recognised under "Other operating costs".

Cash and cash equivalents

Cash and cash equivalents include the cash on hand and positive balances on current bank accounts not subject to restrictions or constraints. These items are shown at their face value.

Accruals and Deferrals

Accruals and prepayments are determined according to the accrual principle and by applying the matching principle between costs and revenues. The conditions that led to the original recognition of long-term items have been checked, while making any changes, as necessary.

Grants related to plants

The grants related to assets made by various entities have been counted since 2006 towards a reduction in the non-current assets when the same grant directly refers to a plant. Previously, the grants related to plants were recorded under deferred income and recognised in the income statement in the same ways used to calculate depreciation of the assets to which they referred. Therefore, net depreciation is calculated on the capital assets affected by the grant, while deferred income is still used for the grants already accounted for in the years before 2006, which are counted towards annual income according to an annual instalment corresponding to the amount of the depreciation for the associated assets.

Financial liabilities, trade payables and other liabilities

Financial liabilities (other than derivative financial instruments), trade payables and other liabilities are initially recognised at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost applying the effective interest rate method. If there is a change in the expected cash flows, which can be reliably determined, the liabilities are recalculated to reflect this change. Financial liabilities are classified as current liabilities, unless the Group has the unconditional right to defer payment for at least twelve months after the reporting date.
Financial liabilities are derecognised at the time of their settlement and when the Group has transferred all the risks and charges relating to the instrument.

Derivatives

Financial derivatives are assets and liabilities recognised at fair value. The group uses financial derivatives to hedge interest rate and commodity risks. The Group uses financial derivatives to hedge interest rate and commodity price risks.
In accordance with the provisions of IAS 39, financial derivatives qualify for hedge accounting only if:

- at the time that the hedge is established there is a formal designation and the hedging relationship is documented;
- the hedge is deemed highly effective;
- the effectiveness can be reliably measured;
- the hedge is highly effective during the different accounting periods for which it is designated.

When derivatives qualify for hedge accounting, the following accounting treatments are appliedi:

- if the derivatives hedge the risk of fluctuations in the fair value of the hedged assets or liabilities (fair value hedge; e.g., hedging fluctuations in the fair value of fixed-rate assets/liabilities), they are measured at fair value through profit or loss; accordingly, the hedged assets and liabilities are adjusted to reflect changes in fair value associated with the hedge risk;
- if the derivatives hedge the risk of fluctuations in the cash flows of the hedged assets or liabilities (cash flow hedge; e.g., hedging fluctuations in the cash flows of assets/liabilities caused by fluctuations in interest rates), changes in the fair value of derivatives are initially recognised in equity and subsequently transferred to profit or loss based on the income effects of the hedged transactions.

If hedge accounting cannot be applied, the gains or losses resulting from the measurement at fair value of the derivatives are immediately recognised in profit or loss.

Employee benefits

Short-term benefits are represented by wages and salaries, social security, indemnities in lieu of holidays and incentives in the form of bonuses payable in the twelve months after the reporting date. Such benefits are recognised under personnel costs in the period in which their services are rendered.

Post-employment benefits are divided into two categories: defined contribution plans and defined benefit plans.

In defined contribution plans, contribution costs are charged to profit or loss when incurred, based on their nominal amount.

In defined benefit plans, which include employee severance indemnities governed by article 2120 of the Italian Civil Code ("TFR"), the amount of the benefit to be paid is quantifiable only after termination of employment, and associated with one or more factors such as age, the years of service and remuneration. The related cost is recognised in the comprehensive income statement based on actuarial calculations. The liability recognised for defined benefit plans is the present value of the obligation at the reporting date. The defined benefit plan obligations are determined annually by an independent actuary using the projected unit credit method. The present value of defined benefit plans is determined by discounting future cash flows at an interest rate equal to high-quality corporate bonds issued in Euro which take into account the period of the related pension plan. With reference to the Group, this category includes the employee severance indemnities accrued at 31 December 2006 (or at the date selected by the employee when the option to make contributions to supplementary pension funds is chosen), and the rate discounts given to former employees.

Starting from 1 January 2007, Finance Law 2007 and the related implementing decrees introduced amendments concerning the TFR. The amendments include the decision of employees as to the destination of their accruing TFR. In particular, new flows of TFR can be allocated by the employee either to selected pension funds or maintained in the company. In the case of selected pension funds, the defined contribution will be paid to the fund and, starting from such date, the new amounts accrued become defined contribution plans not subject to actuarial measurement.

Defined benefit plans also include the rate discounts that the Company provides to former employees. These discounts also entail assessments which adequately consider when the related services will be provided and, accordingly, the need to calculate them using average present values.

Changes in actuarial gains and losses are recognised in OCI in accordance with IAS 19 Revised.

Provisions for risks and charges

Provisions for risks and charges are set up to cover losses or liabilities whose existence is certain or probable but that at the end of the reporting period are uncertain as to amount or as to the date on which they will arise. Provisions are recognised only when there is a current obligation (legal or constructive) for a future outflow of resources deriving from a past event and it is probable that the outflow will be necessary to fulfil the obligation. This amount represents the best estimate of the present value of expenditures required to settle the obligation. If the effect of the time value is material, and the payment date of the obligations can be reasonably estimated, the provisions to be accrued are equal to the present value of the expected outflow, using a rate that reflects market conditions, the change in the time value of money and the risks specific to the obligation. The increase in the provision due to changes in the time value of money is recognised as interest expense.

It should be noted that the Group companies managing landfill sites are required, under the agreements entered into with the granting authorities and/or the administrative authorisations granted, to restore the original condition of the land used at the end of the activity. These obligations entail the incurrence of significant environmental restoration costs (such as, by way of example, covering with soil, re-profiling and planting), which may extend over several financial years after the landfill's capacity has been exhausted.

The updated estimate reflects a more accurate determination of future dismantling and restoration costs, carried out on the basis of the best information available at the reporting date. These costs are capitalised as part of the value of the assets to which the obligation relates, with the corresponding recognition of a specific provision for dismantling and restoration costs, determined on the basis of the best estimate of future costs. Costs directly related to the waste deposited are excluded from the initial estimate, as they are not included in the site restoration obligation.

Where the dismantling and/or restoration obligation relates to assets not recognised under the Group's property, plant and equipment, such as assets held under concession, lease or usufruct, the corresponding entry to the provision is recognised as an intangible asset, recognised under other intangible assets, subject to verification of its recoverability.

Revenue recognition

Revenues and income are recognised net of returns, discounts and rebates, as well as taxes directly related to the sale of products and the provision of services. They are split between revenues from operating activities and financial income accruing between the date of sale and the date of payment.
In particular:

- revenues from the sale of energy, gas and heat are recognised and accounted for at the time of delivery and include the provision for deliveries made but not yet invoiced (estimated on the basis of historical analyses determined in relation to past consumption);
- revenues for distribution are recognised on the basis of the tariffs recognised by the Authority and are subject to equalisation at the end of the financial year to reflect, on an accrual basis, the remuneration recognised by the Authority for the investments made;
- revenues are recognised when (or gradually as) the relevant obligation is fulfilled, by transferring the promised goods or services to the customer. The transfer occurs when (or gradually as) the customer acquires control of the goods or services. The recognised revenue corresponds to the price attributed to the relevant obligation that is measured. Revenues are only recognised if it is considered probable that the relevant amount will be received for the goods or services transferred to the customer.

Please note that the amount set aside for the capacity market was classified under revenue rather than provisions and, to allow for a like-for-like comparison, the income statement for the previous year has been restated to reflect this reclassification.

Cost of goods purchased and services performed

Purchases of goods and the performance of services are recognised in profit or loss on an accrual basis.

Income taxes

Current taxes are calculated based on the taxable income for the year, applying the current tax rates at the reporting date.
Deferred taxes are calculated for all differences emerging between the tax base of an asset or liability and the respective carrying amount. Deferred tax assets, not offset by deferred tax liabilities, are recognised to the extent that it is likely that future taxable income will be available against which they may be recovered. Deferred tax liabilities are determined using the tax rates that are expected to apply in the periods in which the differences will be realised or extinguished, based on the tax rates in force or substantially in force at the reporting date.
Current and deferred taxes are recognised in the comprehensive income statement, except for those related to items taken directly to equity, in which case the related tax impact is also recognised directly in equity. Taxes are offset when they are levied by the same tax authority and there is a legal right to offset.

Non-current assets held for sale, disposal groups and discontinued operations – IFRS 5

Non-current assets held for sale (disposal group) and discontinued operations whose book value will be recovered mainly through sale rather than through continuous use, are valued at the lower between their net carrying amount and their fair value less costs to sell: any difference between the carrying amount and the fair value less any costs to sell is recognised in the Income Statement.
In accordance with the IFRS, the data relating to non-current assets held for sale and discontinued operations are presented in two specific items in the Statement of Financial Position: assets held for sale and liabilities directly associated with assets held for sale.
With exclusive reference to discontinued operations, the net economic results achieved by them during the sale process (including any capital gains/losses deriving from the sale itself) and the corresponding

comparative data of the previous year are presented in a specific item in the Income Statement: net result from discontinued activities or those destined to be sold.

Pillar Two disclosure for the consolidated financial statements

With regard to the introduction of the tax framework relating to the so-called “Pillar Two”, the following information is provided concerning the MAGIS Group (the “Group”). As known, in 2021 over 135 jurisdictions participating in the Inclusive Framework on Base Erosion and Profit Shifting (“Inclusive Framework”) agreed on an international tax reform introducing a Global Minimum Tax (“GMT”) applicable to large multinational groups.
In particular, these countries reached a political agreement on a model of international taxation based on two pillars, aimed at addressing certain tax issues arising from the digitisation of the economy. The second of these pillars (“Pillar Two”) introduces the above-mentioned Global Minimum Tax. Within the European Union, on 12 December 2022, the Council subsequently adopted a directive (Directive (EU) 2022/2523) introducing this Global Minimum Tax into the EU legal framework. The directive established a minimum effective tax rate of 15% for domestic and multinational groups with consolidated revenue in excess of Euro 750 million per year, applicable for annual periods beginning after 31 December 2023. To date, several third countries (outside the European Union) have also implemented similar legislation based on the work of the Inclusive Framework.
The Italian legislature transposed Directive (EU) 2022/2523 through Legislative Decree 209/2023, introducing three related mechanisms: (i) the Income Inclusion Rule (“IIR”), payable by parent entities located in Italy in relation to foreign group companies subject to low taxation; (ii) the Undertaxed Profits Rule (“UTPR”), payable by one or more members of a multinational group located in Italy, in relation to the profits of group companies not controlled by them and subject to low taxation, where a sufficient IIR has not been applied in the countries of the parent entities; and (iii) the Qualified Domestic Minimum Top-Up Tax (“QDMTT”), payable in relation to low-taxed group companies located in Italy.
In order to address, from a financial statement disclosure standpoint, the substantial changes resulting from the introduction of the Global Minimum Tax by a significant number of jurisdictions, the IASB subsequently issued an update to IAS 12. The changes introduce a mandatory temporary exception whereby no deferred tax may be recognised that would arise from the implementation of Pillar Two in the relevant countries. This exception, which the Group has also applied to this disclosure, is immediately applicable and has retrospective effect.
The above-mentioned amendment also requires disclosure of any potential impacts on the financial position and financial performance. Given these complex new requirements, the Group (which falls within the scope of the GMT) is currently working to implement the necessary internal procedures to manage compliance with the Pillar Two regime as effectively and efficiently as possible, for both the Italian and foreign operations.
In this context, thorough analyses have been carried out to estimate whether the requirements are met, in the jurisdictions where the Group operates, for applying the Safe Harbour transitional simplified regimes (as governed in Italy by the Ministerial Decree of 20 May 2024), which – if met – would exempt the Group from the more complex regime and reduce any potential top-up tax to zero.
A preliminary assessment was conducted on the data relating to the 2025 tax period, following which it is considered that no GMT will be due.

New accounting standards

The accounting standards adopted to prepare the financial statements are consistent with those used to prepare the financial statements at 31 December 2024, except for the adoption of the new standards, amendments and interpretations in force from 1 January 2025.

Standards, interpretations, amendments and improvements required for the 2025 financial statements

IAS 21 – The Effects of Changes in Foreign Exchange Rates

The amendment is intended to regulate the procedures to be followed where currencies lack convertibility; in particular, by introducing specific requirements to determine when a currency is, or is not, considered convertible into another currency and requiring an estimate of the spot exchange rate when it is determined that the currency is not convertible. This amendment did not have any impact on the Company's financial statements.

Illustrative examples – Disclosure of uncertainties in financial statements

In November 2025, the IASB also published illustrative examples relating to disclosure of uncertainties in financial statements. These documents do not introduce new recognition and measurement criteria, but provide application guidance aimed at improving the quality of disclosures on significant judgements and critical estimates. The Group took these guidelines into account in preparing the financial statement disclosures, with particular reference to the areas of greatest uncertainty.
New standards and amendments issued by the IASB that are not mandatory for the preparation of the 2025 IFRS financial statements

The following amendments are effective for the annual period beginning on 1 January 2026:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Settlement of electricity purchase and sale contracts dependent on nature – "power purchase agreements" (Amendments to IFRS 9 and IFRS 7)
- Annual improvements Vol. 11: improvements and rationalisation of the standards in force (Amendments to IAS 7 and IFRS 1, 7, 9 and 10)

The following amendments are effective for the annual period beginning on 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Company is currently considering the effect of these new accounting standards and amendments.

Non-recurring significant transactions

At Group level, the following corporate reorganisation and simplification transactions became effective during the 2025 financial year:

- On 11 February 2025, Smart Care 1 S.r.l. was established; Magis Smart S.r.l. holds 100% of the equity interests in it, and its purpose is to carry out energy upgrading activities and the enhancement, management and routine and extraordinary maintenance of the property assets of the Istituto Assistenza Anziani di Verona;
- on 23 October 2025 Magis Power S.r.l. acquired 100% of the equity interests in RF-Sirio S.r.l. and RF-Vega S.r.l., which operate in the renewable energy generation sector from photovoltaic plants;
- On 26 November 2025, Magis Power S.r.l. acquired 100% of the equity interests in Delsis S.r.l., Manfredonia S.r.l. and Carapelle-1 S.r.l., which also operate in the renewable energy generation sector, and in particular in wind power;
- On 27 November 2025, Magis Energia S.p.A. acquired the remaining interests equal to 40% of the share capital of its subsidiary Cogaspiù Energie S.r.l.
- On 6 November 2025, Magis Energia S.p.A. completed the acquisition of Global Power S.p.A. and its subsidiary Global Power Plus S.r.l., which operate in the sale of electricity and gas.

The restructuring of the Environment BU also continued, which included the following transactions:i

- With effect from 1 January 2025, Transeco S.r.l. and D.R.V. S.r.l. were merged by incorporation into Magis Ambiente S.r.l.; Magis Ambiente S.r.l. already held the entire share capital of these companies, which operate in the collection, treatment and disposal of non-hazardous waste sector

In addition:

- On 17 December 2025, with effect from 1 January 2026, Valore Ambiente S.r.l. carried out the demerger of a business unit into the newly established Grumolo Ambiente S.r.l., to which post-operational management and biogas exploitation at the Grumolo delle Abbadesse (VI) site were assigned;

- On 17 December 2025, with effect from 1 January 2026, Magis Power S.r.l. resolved to incorporate RF-Sirio S.r.l., RF-Vega S.r.l., Bortoli Total Green S.r.l., JUWI Development 02 S.r.l. and JUWI Development 08 S.r.l

The operations described above are aimed at completing the Group reorganisation process already initiated in previous financial years and at developing synergies and integrations to strengthen the Group's positioning within its businesses through the enhancement of the individual sector companies, their brands and their territorial presence.

2. Non-current assets

Note 1 Intangible assets

The following table shows the amount of "Intangible Assets" as at 31 December 2024 and 2025 and the related changes.

Net value	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks, and similar rights	Assets under concession	Intangible assets under development	Other	Total
Opening Balance	4	7.823	20.553	319.497	4.171	75.070	427.117
Investments	48	5.591	5	34.070	7.981	1.356	49.051
Disposals and Sales	-	-	-	-	(49)	-	(50)
Extraordinary transactions	-	-	-	-	-	94	94
Change in scope	-	-	-	-	44	1	45
Reclassifications	8	1.100	-	63	(4.152)	11	(2.971)
Amortisation and depreciation	(5)	(3.765)	(1.813)	(22.308)	-	(8.896)	(36.787)
Impairment	-	-	-	-	-	(44)	(44)
Closing Balance	**54**	**10.749**	**18.744**	**331.322**	**7.995**	**67.592**	**436.457**

Net value	Plant costs	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks, and similar rights	Assets under concession	Intangible assets under development	Other	Total
Opening Balance	-	54	10.749	18.744	331.322	7.995	67.592	436.457
Investments	2	-	3.735	3	32.148	12.689	5.038	53.614
Disposals and Sales	-	-	(5)	-	(1.118)	-	(68)	(1.192)
Change in scope	3	-	18	428	-	-	4.808	5.257
Reclassifications	-	-	108	2	64	(766)	(262)	(852)
Amortisation and depreciation	(4)	(3)	(4.162)	(1.362)	(22.200)	-	(4.995)	(32.726)
Impairment	-	-	-	-	-	-	(5.029)	(5.029)
Other changes	15	-	2	11	(166)	-	(17)	(154)
Closing Balance	**15**	**51**	**10.446**	**17.826**	**340.050**	**19.918**	**67.066**	**455.374**

Intellectual property rights of Euro 10,446 thousand refer to software costs. The increase recorded during 2025, amounting to Euro 3,735 thousand, was mainly attributable to the installation and implementation of the new SAP4H management system.

The items "concessions, licences and trademarks" and "assets under concession", amounting jointly to Euro 357,877 thousand, mainly relate to the valuation of concessions for the distribution of water services granted by the Municipalities of Verona and Vicenza; for gas distribution mainly granted by the Municipalities of Verona, Vicenza and Treviso; and for electricity distribution granted by the Municipality of Vicenza. These relate to infrastructure used in public-to-private service concession arrangements and accounted for in accordance with IFRIC 12. The increases for the year mainly refer to investments in the gas sector in various locations and in electricity for the Vicenza area.

Assets under construction and advances amount to Euro 19,918 thousand and mainly concern installation and configuration of the new customer management system purchased in 2024, due to come into operation in January 2026.
The item "other intangible assets", amounting to Euro 67,066 thousand, mainly includes costs incurred for the acquisition of surface rights and the establishment of easements over land on which wind and photovoltaic generation plants are located, improvements and refurbishment works on third-party plants and on public lighting systems in municipalities within the Provinces of Padua and Belluno, as well as capitalised costs relating to the PMS2 project concerning the commissioning of second-generation electricity meters. The increase during the year mainly relates to the recognition of estimated costs for the dismantling and/or restoration of the Lonigo landfill, until the end of the post-closure management period, recognised as an intangible asset with a corresponding entry to dismantling costs..

Impairment test on rights on assets under concession and customer lists (IAS 36)

The Group, assisted by an independent expert professional, performed the impairment test in order to assess the existence of possible reductions in value of the amounts recognised under rights on assets under concession and customer lists, the latter recognised under other intangible assets. For both categories of assets examined, the impairment test was performed by comparing the carrying amount of the asset or group of assets included in the cash-generating unit (CGU) with the recoverable amount of such asset or group of assets, determined as the higher of fair value (net of any disposal costs) and the value of the expected net cash flows generated by the assets or group of assets included in the CGU (value in use).
For the purposes of the impairment test on rights over assets under concession, the Group used the cash flows relating to the concession period derived from the 2025–2030 Plan approved by the Board of Directors in October 2025, as well as the residual value of the assets developed during the concession period that the Group expects to recover upon expiry of the Concession.
Also for the purposes of the customer lists impairment test, the Group used the cash flows derived from the same 2025-2030 Plan and, as part of this analysis, verified the consistency between the expected useful lives of the customer lists and the dynamics of customer retention, represented by the attrition rates (churn rate).
This plan, which therefore constituted the reference for the determination of costs and revenue within the independent expert professional's work, was built on the basis of the information known to management at the time of its preparation, also taking into account the risks and uncertainties related to the issue of climate change. The impairment test is based on the assumptions described in greater detail in the following paragraph on goodwill, which resulted in the application of the following WACC values for each BU:

Business Unit	WACC	Ke	Kd
Sales	6,4 p.c.	9,1 p.c.	2,8 p.c.
Trading	6,4 p.c.	9,1 p.c.	2,8 p.c.
Generation	6,1 p.c.	8,6 p.c.	2,8 p.c.
Green&Ren. Energy	4,8 p.c.	6,3 p.c.	2,8 p.c.
Hydrogen	6,2 p.c.	8,7 p.c.	2,8 p.c.
TLR-COG	6,4 p.c.	9,1 p.c.	2,8 p.c.
Electricity Distribution	6,0 p.c.	8,5 p.c.	2,8 p.c.
GAS Distribution	6,1 p.c.	8,5 p.c.	2,8 p.c.
Environment	6,2 p.c.	8,8 p.c.	2,8 p.c.
IP-TLC	6,1 p.c.	8,5 p.c.	2,8 p.c.
Water	4,8 p.c.	6,3 p.c.	2,8 p.c.

Note 2 Tangible assets

A breakdown of the item "Property, plant and equipment" as at 31 December 2025 is provided below with the relevant changes.

Historical cost	Land and Buildings	Plant and machinery	Transferable works	Industrial and commercial equipment	Other assets	Right-of-use assets	Tangible fixed assets under development	Total
Opening Balance	191.923	924.413	47.246	44.066	65.519	16.562	78.504	1.368.234
Investments	2.339	44.291	310	3.372	3.456	16.473	31.730	101.971
Disposals and Sales	(3.958)	(5.608)	-	(1.572)	(1.570)	(287)	(654)	(13.648)
Change in scope	14.293	139.063	-	62	81	-	-	153.499
Reclassifications	7.605	47.979	40	91	417	-	(53.849)	2.282
Impairment	-	(85)	-	-	-	-	-	(85)
Other changes	(185)	-	-	3	400	-	6	223
Foreign exchange difference	12	216	-	2	-	1	-	231
Closing Balance	**212.029**	**1.150.269**	**47.595**	**46.024**	**68.303**	**32.749**	**55.737**	**1.612.707**

The investments include:

- electricity distribution activities, relating to the increase and renewal of primary and secondary plants, electricity distribution networks (and the related remote monitoring) and customer connections;
- electricity generation activities, mainly relating to works carried out on cogeneration plant facilities (primarily the commissioning of the revamped Borgo Trento plant) and on renewable energy plants (wind and photovoltaic);
- public lighting initiatives, including the installation of new low-consumption lighting equipment;
- electricity metering activities relating to the maintenance and renewal of meters;
- activities in the environmental sector, mainly attributable to the costs incurred for the repowering of the anaerobic digestion plant of Ca' del Bue (VR), which entered into operation during 2025, as well as the purchase of cars and vehicles used in hygiene activities;
- the district heating network;
- the installation of electric vehicle charging stations;
- work on buildings and appurtenances at the various company premises and upgrading of the Verdi and Rodolfi (VI) car parks

The changes during the year with respect to accumulated depreciation are shown below.

Accumulated Depreciation	Land and buildings	Plant and machinery	Transferable works	Industrial and commercial equipment	Other assets	Right-of-use assets	Total
Opening Balance	90.564	605.580	37.999	29.878	57.677	14.284	835.982
Disposals and Sales	(2.861)	(4.665)	-	(1.464)	(1.498)	(287)	(10.776)
Change in scope	3.643	35.359	-	59	37	-	39.098
Riclassifiche	29	(209)	-	(159)	339	-	-
Amortisation and depreciation	4.413	32.196	957	3.333	2.618	4.477	47.995
Other changes	(654)	291	(22)	62	443	-	120
Foreign exchange difference	-	95	-	1	-	-	96
Closing Balance	**95.135**	**668.645**	**38.935**	**31.710**	**59.616**	**18.475**	**912.515**

The net changes as at 31 December 2025 and 2024 of the individual items belonging to tangible assets are detailed below.

Net value 2024	Land and Buildings	Plant and machinery	Transferable works	Industrial and commercial equipment	Other assets	Right-of-use assets	Assets under construction	Total
Opening Balance	105.358	294.401	10.058	12.379	8.381	3.569	52.209	486.356
Investments	726	45.691	328	4.694	1.617	644	32.846	86.544
Disposals and Sales	(731)	(1.285)	-	(313)	(46)	(71)	-	(2.447)
Extraordinary transactions	-	103	-	-	166	-	-	269
Change in scope	62	39	-	-	-	-	-	100
Reclassifications	217	8.278	-	784	242	-	(6.551)	2.971
Amortisation and depreciation	(4.320)	(28.704)	(1.139)	(3.253)	(2.518)	(1.863)	-	(41.798)
Impairment	-	(66)	-	(106)	-	-	-	(171)
Other changes	-	42	-	-	-	-	-	42
Foreign exchange difference	48	333	-	3	-	-	-	384
Closing Balance	**101.359**	**318.833**	**9.246**	**14.188**	**7.843**	**2.278**	**78.504**	**532.252**

Net value	Land and Buildings	Plant and machinery	Transferable works	Industrial and commercial equipment	Other assets	Right-of-use assets	Assets under construction	Total
Opening Balance	101.359	318.833	9.246	14.188	7.843	2.278	78.504	532.252
Investments	2.339	44.291	331	3.372	3.456	16.473	31.730	101.993
Disposals and Sales	(1.097)	(943)	-	(107)	(72)	-	(654)	(2.872)
Change in scope	10.649	103.705	-	3	44	-	-	114.401
Reclassifications	7.576	48.188	40	250	78	-	(53.849)	2.283
Amortisation and depreciation	(4.413)	(32.196)	(957)	(3.333)	(2.618)	(4.477)	-	(47.995)
Impairment	-	(85)	-	-	-	-	-	(85)
Other changes	469	(291)	-	(59)	(44)	-	6	81
Foreign exchange difference	12	121	-	1	-	1	-	135
Closing Balance	**116.894**	**481.624**	**8.660**	**14.314**	**8.688**	**14.275**	**55.737**	**700.192**

Land and buildings amounted to Euro 116,894 thousand net of accumulated depreciation of Euro 95,135 thousand. This item mainly refers to the corporate offices and appurtenances of the Parent Company, in addition to the land and buildings of the power generation plants (thermoelectric, hydroelectric, cogeneration and renewable), the buildings that are part of the Cà del Bue (VR) plant, and the walls of primary and secondary electricity substations.

Plant and machinery amounted to Euro 481,624 thousand, net of accumulated depreciation of Euro 668,645 thousand. This item mainly includes machinery relating to electricity generation plants and facilities (thermoelectric, cogeneration, hydroelectric, wind and photovoltaic), transmission lines, as well as electricity distribution systems and networks — including remote-control systems and public lighting infrastructure — district heating pipelines, electricity metering devices, equipment installed in electrical substations, specific waste treatment facilities, fibre optic infrastructure laid within urban networks and general installations relating to company premises.

During the year, the item "Plant and machinery" recorded new investments amounting to Euro 44,291 thousand. The main investments relate to high-, medium- and low-voltage electricity plants and networks, the installation of new-generation 2G smart electricity meters, the commissioning of the repowering of the biomethane and organic waste treatment plant at Cà del Bue (VR), the commissioning of the revamping of the Borgo Trento (VR) district heating plant, upgrading works on public lighting systems and networks in the city of Verona and other municipalities, as well as ordinary extensions and renewals of public lighting networks, upgrades and refurbishments at electricity generation plants, and the commissioning of a new photovoltaic plant in Carlino (UD).

Reclassifications mainly include the portion of assets under construction in 2024 which became operational in 2025.

Net disposals of plant and machinery amount to Euro 943 thousand and mainly relate to the disposal and replacement of electrical installations and medium and low voltage electricity lines and the disposal of certain damaged photovoltaic plants.

The transferable works, which total Euro 8,660 thousand net of accumulated depreciation of Euro 38,935 thousand, refer to the plants granted for temporary use to the Group to be assigned free of charge to the State upon expiry of the concession. Transferable works are: the hydroelectric plant of Belfiore (VR), the hydroelectric power plant of Ala (TN), the Speccheri dam (TN), the Busa (TN) lifting plants, the Toldo dam (TN), the Stedileri (TN) reservoir, the San Colombano power plant (TN) and the hydroelectric plants in use by Consorzio Canale Industriale G. Camuzzoni di Verona Scarl. These plants were depreciated based on the residual duration of the concessions.

Industrial and commercial equipment amounts to Euro 14,314 thousand net of accumulated depreciation of Euro 31,710 thousand and mainly includes fixed and movable equipment, work machinery, electric vehicle charging stations, equipment and sundry instrumentation.

Other assets amounted to Euro 8,688 thousand net of accumulated depreciation of Euro 59,616 thousand and included lorries and motor vehicles, office furnishings and equipment, personal computers, electronic and office machinery.

Right-of-use assets amount to Euro 14,275 thousand, net of accumulated depreciation of Euro 18,475 thousand, and mainly include properties subject to lease agreements, as well as company cars and vehicles used in urban hygiene activities, accounted for using the finance method in accordance with IFRS 16 Leases.

Assets under construction, amounting to Euro 55,737 thousand, mainly relate to design and construction costs and preparatory activities for the repowering of the Cricoli cogeneration plants and renewals and extensions of district heating networks; to studies, design and works relating to renewals and the construction of new plants for renewable production (wind and photovoltaic); to costs relating to the construction of renewable hydrogen production plants, as well as various works on high, medium and low voltage electricity distribution plants and lines, on waste treatment plants and on telecommunications networks, and to plants and charging stations for electric mobility.

Note 3 Goodwill

The breakdown of "Goodwill" as at 31 December 2025 and the changes that have occurred compared to 31 December 2024 are shown below:

	Goodwill
Opening Balance	52.985
Change in scope	25.776
Other changes	(675)
Closing Balance	**78.086**

The amount recognised as goodwill, which at the year end totals Euro 78,086 thousand, relates to business combination transactions accounted for in accordance with the requirements of IFRS 3 "Business Combinations". As regards the initial amount of Euro 52,985 thousand, this includes the amount attributable to the business combination made on 1 January 2021 and accounted for according to the Purchase Price Allocation (PPA) process for the part not specifically attributable to the acquired assets, in addition to previous values of goodwill acquired for consideration. During 2025, increases were recorded totalling Euro 25,776 thousand following the new acquisition transactions carried out by the Group during the last months of the year, as already described in the introduction. Of these, Euro 4,114 thousand relates to the recognition of goodwill already recorded in the individual financial statements of the acquired companies, while the remaining portion, equal to Euro 21,662 thousand, relates to the recognition of the aforementioned acquisitions under the PPA process, which led to the allocation to goodwill of the deficit values not specifically attributable to the acquired assets, as detailed in the table below:

Registered name of the acquired company	Total deficit value	Value attributed to the assets	Deferred taxes	Value allocated to goodwill
Carapelle 1 S.r.l.	24.271	28.931	8.335	3.685
Delsis S.r.l.	30.699	31.849	9.179	8.029
Manfredonia Wind S.r.l.	3.965	4.788	1.380	557
Sirio S.r.l.	3.365	4.728	1.362	-
Vega S.r.l.	3.348	4.703	1.355	-
Global Power S.p.A.	5.299	-	-	5.299
Global Power Plus S.r.l.	2.558	-	-	2.558
Cogaspiù Energie S.r.l. (40%)	1.534	-	-	1.534
Total				**21.662**

With reference to the incremental portion of goodwill arising from the acquisition transactions completed in the last months of the year, the Group considered that the recoverable amount of the related CGUs was reasonably represented by the purchase price paid. These transactions were concluded on market terms and supported by independent valuation reports prepared close to the acquisition date. Given the limited time interval between the acquisition date and the year-end, as well as the absence of indicators of impairment losses in the period following the transaction, the Group considered that the purchase price constituted a reasonable approximation of the fair value of the acquired assets and, consequently, of the recoverable amount of the related cash-generating units.

The reductions in the value of goodwill recognised in the Group's consolidated financial statements, relating to reclassifications and impairment losses, amount overall to Euro 675 thousand.

The total amount of goodwill recognised in the financial statements as the opening balance was subjected, pursuant to IAS 36, to an impairment test, with the support of an independent expert, in order to verify that it did not exceed the recoverable amount calculated for each individual Cash Generating Unit ("CGU"). The recoverable amount of a CGU (or set of CGUs) is the higher value between fair value, less costs to sell, and the value in use. "Fair value" means the value determined by reference to the best available information to reflect the amount obtainable from the disposal of the CGU in a free transaction between aware and willing parties. "Value in use" refers to the current value of the estimated future cash flows, which are assumed to derive from the continuous use of the CGU and its disposal at the end of its useful life.

For the financial statements, the recoverable value of goodwill was defined with respect to value in use and was calculated for each of the CGUs to which this goodwill is attributable. The value in use of each CGU was estimated using the Discounted Cash Flow ("DCF") method by discounting the operating cash flows generated by the assets at a discount rate representative of the weighted average cost of capital (WACC). For the determination of value in use, the cash flows generated by each CGU were utilised, with the related assessment performed by management on the basis of reasonable and supportable assumptions reflecting the value of the CGU in its current condition and under the assumption of continued normal business operations, as derived from the 2025–2030 business plan approved by management in October 2025, which incorporates forward-looking assumptions including, in an integrated manner, the expected effects arising from risks associated with climate change.

This plan reflects updated scenarios consistent with the current dynamics of the energy and environmental transition, including the main macroeconomic, sectoral, and environmental variables relevant to the generation of future cash flows, such as projected energy prices, average temperatures, precipitation, expected production from renewable sources, and other climate indicators. In particular, the integration of

these factors covered all the exposed Business Units, such as market, generation, heat, environment, and smart, together with the distribution networks.
The independent expert appointed for the valuation process fully adopted this plan as the basis for the preparation of the valuation models, explicitly considering the risks associated with climate change as these were already incorporated in the underlying forecast assumptions. Consequently, these risks were assessed and reflected in the impairment tests using the company projections, without the need for further adjustments or specific simulations.
The information derived from the 2025–2030 business plan constituted the reference basis for determining costs and revenues within the work carried out by the independent expert.
The Plan is based on the group line that aims to offer integrated services that encompass the north-eastern area of the Italian territory (mainly the Municipalities of Vicenza, Verona, Treviso and neighbouring areas) and in particular features initiatives based on sustainability, which has been placed as the main driver of the Group's growth strategy. The investment plan will be aimed at production plants from renewable sources, development of the circular economy, improvements to district heating efficiency, renewal and digitisation of electricity and gas networks, expansion of the commercial offer of smart and innovative services, improvement in service quality.
For the sole purpose of the impairment test, the assigned independent expert, among other things: a) analysed the relevant components and assumptions of the economic and financial projections drawn up by the Company's management, carried out comparisons and checks on the correctness of the sources and assumptions used; b) carried out the estimation of the discount rate consistent with the cash flows considered, i.e. the post-tax weighted average cost of capital (WACC), estimated, according to criteria widely used in the valuation practice and in line with last year's impairment exercise in order to reflect current market assessments with reference to the current value of money, country risk and specific risks related to the activity; c) made changes to the flows deriving from the Plan, which was appropriately normalised to exclude the impacts deriving from non-repeatable energy scenarios over the years and their impacts on NWC and NFP; d) estimated the residual value considering a growth rate beyond the plan horizon, identified for each CGU, consistent with the expectations of business development.

The table below summarises the valuation assumptions underlying the impairment test:

Business Unit	WACC	Ke	Kd
Sales	6,4 p.c.	9,1 p.c.	2,8 p.c.
Trading	6,4 p.c.	9,1 p.c.	2,8 p.c.
Generation	6,1 p.c.	8,6 p.c.	2,8 p.c.
Green&Ren. Energy	4,8 p.c.	6,3 p.c.	2,8 p.c.
Hydrogen	6,2 p.c.	8,7 p.c.	2,8 p.c.
TLR-COG	6,4 p.c.	9,1 p.c.	2,8 p.c.
Electricity Distribution	6,0 p.c.	8,5 p.c.	2,8 p.c.
GAS Distribution	6,1 p.c.	8,5 p.c.	2,8 p.c.
Environment	6,2 p.c.	8,8 p.c.	2,8 p.c.
IP-TLC	6,1 p.c.	8,5 p.c.	2,8 p.c.
Water	4,8 p.c.	6,3 p.c.	2,8 p.c.

The valuation method also included a sensitivity analysis on the valuation parameters used and, in particular, the threshold levels of the impairment test value. Where possible, with reference to regulated businesses, a comparison was also made with the parameters indicated by Arera. The difference between the value in use and the operating net invested capital at the reporting date was compared with the carrying values of goodwill in the Group's consolidated financial statements. Consistent with the indications in IAS 36, management will monitor the evolution of macroeconomic and geopolitical conditions and any other impairment indicator, promptly transposing the changes in the value of CGUs.

Note 4 Equity investments

The breakdown of "Equity investments" as at 31 December 2025 and the changes that have occurred compared to 31 December 2024 are shown below:

Equity investments	Opening balance	Investments	Revaluations (Write-downs)	Reclassifi-cations	Other changes	Closing Balance
Associates						
Geotermia Triveneta Srl	1.300	450	-	-	-	1.750
Consorzio GPO	10.010	-	229	-	-	10.239
Legnago Servizi Spa	2.002	-	482	-	-	2.484
SI.VE Srl	426	-	41	-	-	467
Total	**13.738**	**450**	**752**	**-**	**-**	**14.940**
Other companies						
Agrilux	2.492	-	-	-	-	2.492
Parco Eolico Monte Vitalba	161	-	-	-	-	161
ICQ Holding Spa	229	-	-	(229)	-	-
Other equity investments	139	-	-	-	-	139
Total	**3.021**	**-**	**-**	**(229)**	**-**	**2.792**

Equity investments in associates are measured using the equity method, according to which the original cost is periodically adjusted (positively or negatively) to reflect both the portion of profit or loss attributable, and other changes in the investee's equity in the periods after the acquisition date.
Equity investments in other companies are measured at cost.

Associates

Geotermia Triveneta S.r.l.

The amount of investments in associates, totalling Euro 450 thousand, relates to the capital contribution made at the end of 2025. Investments in associates are measured using the equity method and, in this specific case, at cost. The difference between the carrying amount of the investment and the value of the share of equity held is not regarded as a permanent impairment, as the expected future cash flows from projects to be implemented by Geotermia Triveneta Srl are expected to recover the investment made.

Consorzio GPO

The book value of the equity investment in Consorzio GPO was originally Euro 8,082 thousand and had been written down in 2014 to align it with the corresponding share of equity, adjusted to take account of the performance of the investee Astea Spa. For 2025, the equity-accounted valuation resulted in an upward revaluation of Euro 229 thousand.
The composition of the Consortium Fund is as follows:

- IRETI Spa equity investment of Euro 12,593 thousand, equal to 62.35%;
- Magis S.p.A. equity investment of Euro 6,759 thousand, equal to 33.46%;
- AGSM AIM Ambiente Srl equity investment of Euro 845 thousand equal to 4.19% (previously held by AMIA Verona Spa).

Legnago Servizi S.p.A.

This investee company of S.I.T. S.p.A. is the concessionaire for the construction and management of the Integrated Waste Treatment and Disposal System of Torretta di Legnago (VR). The investment was remeasured based on the most recent financial statements.

Si.Ve. Srl

The company in which Magis S.p.A. holds an investment provides environmental hygiene services mainly in the municipality of Legnago and in certain neighbouring municipalities. The investment was remeasured based on the most recent financial statements.

Other companies

Agrilux Srl

The company, an investee of S.I.T. S.p.A., produces electricity from biogas. The valuation amounting to Euro 2,492 thousand has the same value as the previous year.

Parco Eolico Monte Vitalba Srl

Parco Eolico Monte Vitalba Srl operates in the wind power generation and sale sector, managing the wind farm located in the municipality of Chianni in the province of Pisa. The Group holds a 15% equity investment recognised at purchase cost of Euro 161 thousand.

Note 5 Other non-current financial assets

A breakdown of the item "Other non-current financial assets" as at 31 December 2025 and 2024, is provided below.

Other non-current financial assets	2025	2024	Change	% Change
Financial receivables from others	37.463	21.947	15.516	71%
Financial receivables from subsidiaries of parent companies	14.745	14.845	(100)	-1%
Other securities	10.027	8.361	1.666	20%
Total	**62.235**	**45.153**	**17.082**	**38%**

Financial receivables from others, amounting to Euro 37,463 thousand, mainly relate to the present value of the receivable for the residual value of water assets under concession from the Municipality of Verona, from the municipalities of the Valle del Chiampo in respect of the residual value of the gas network concession, from the Municipality of Vicenza in respect of the residual value of gas network assets under concession, and to advances paid for the acquisition of the equity interests in Blu Holding S.r.l. and H-AG S.r.l.
Financial receivables from subsidiaries of parent companies, amounting to Euro 14,745 thousand, relate to the sale of the investment in AMIA Verona S.p.A. to AMIAVR S.p.A., subsequently merged into AMIA Verona S.p.A..
The item "other securities", amounting to Euro 10,027 thousand, mainly relates to three restricted bank accounts pledged to the Provincial Administration of Vicenza in connection with post-closure obligations relating to the landfill site of Grumolo delle Abbadesse, as well as to the restricted account for the management of the pre- and post-operational transitional period.

Note 6 Deferred tax assets

A breakdown of the item "Deferred tax assets" as at 31 December 2025 and 2024, is provided below.

Deferred tax assets	2025	2024	Change	% Change
Deferred tax assets	45.070	42.391	2.678	6%
Total	**45.070**	**42.391**	**2.678**	**6%**

Receivables for deferred tax assets recognise the receivable for deferred tax assets arising from the costs charged during the current and previous years, which will become tax deductible in subsequent years.
The recovery is due to costs charged in previous years that met the requirements for deductibility from taxable income in 2025, while the increases concern negative income components charged during the year but temporarily without the requirements for deductibility.

Note 7 Other non-current assets

A breakdown of "Other non-current assets" as at 31 December 2025 and 2024, is provided below.

Other non-current assets	2025	2024	Change	% Change
Other receivables	956	383	574	NA
Prepaid expenses	2.970	3.905	(935)	-24%
Security deposits	4.738	3.088	1.650	53%
Total	**8.665**	**7.376**	**1.289**	**17%**

The item security deposits, amounting to Euro 4,738 thousand, consists of amounts collectible after 12 months. The item "Other non-current assets" includes prepaid expenses, amounting to Euro 2,970 thousand, resulting from multi-year sponsorship contracts, prepaid fees for multi-year concessions of the gas and energy distribution networks in Vicenza and the gas distribution network in Verona, and prepaid multi-year charges on guarantees, insurance and maintenance fees. The decrease in the item is due to the release of costs pertaining to the financial year.

3. Current assets

Note 8 Inventories

A breakdown of "Inventories" at 31 December 2025 and 2024 is provided below.

Inventories	2025	2024	Change	% Change
Raw materials, consumables and supplies	14.357	15.262	(905)	-6%
Finished products and merchandise	3.851	3.308	543	16%
Contract work in progress	42	42	-	0%
Advances	2	5	(3)	-56%
Provision for warehouse write-downs	(364)	(897)	533	-59%
Semi-finished products and work in progress	-	39	(39)	-100%
Total	**17.889**	**17.759**	**130**	**1%**

The item "Raw materials, consumables and supplies", amounting to Euro 14,357 thousand, refers to the materials and fuel in stock intended for the maintenance and operation of existing plants and company vehicles and reflects the natural need for stocks. The aforementioned amount is net of an inventory write-down provision of Euro 364 thousand allocated to present the balances at their presumed realisable value and incurred the reduction shown in the table during the year following a utilisation for the disposal of obsolete materials at the disused Cà del Bue (VR) plant.
Inventories of finished products and merchandise refer to the value of gas in stock measured at the weighted average purchase price intended to be sold by the end of gas year 2025/2026.

Note 9 Trade receivables

A breakdown of "Trade receivables" as at 31 December 2025 and 2024, is provided below.

Trade receivables	2025	2024	Change	% Change
Trade receivables	442.718	504.256	(61.537)	-12%
Receivables from parents	8.462	4.874	3.588	74%
Receivables from subsidiaries of the parent company	5.404	6.784	(1.380)	-20%
Receivables from associates	16	15	1	8%
Total	**456.601**	**515.929**	**(59.328)**	**-11%**

Trade receivables

Trade receivables mainly relate to contracts for the supply, transport and wholesale of electricity, methane gas, district heating heat, lighting services and the management of urban health services.

Allowance for doubtful accounts	Opening balance	Accrual	Changes in scope	Uses	Reclassifications	Other changes	Closing Balance
Allowance for doubtful accounts	33.923	13.434	3.133	(10.461)	(23)	(6)	40.000
Total	**33.923**	**13.434**	**3.133**	**(10.461)**	**(23)**	**(6)**	**40.000**

The allowance for doubtful accounts reflects the estimated losses on receivables and expected losses (ECL). The provision covers the estimated risk of losses arising from past experience with similar receivables and from the analysis of non-performing receivables (both current and historical), losses and recoveries, as well as from the monitoring of economic trends and forecasts regarding the Group's business performance, both current and future. During 2025, provisions amounting to Euro 13,434 thousand were recognised, while Euro 10,461 thousand was utilised to cover receivable positions written off as uncollectible.

Receivables from parents

Trade receivables from the Municipality of Verona, amounting to Euro 8,462 thousand, relate to invoices to be issued for the provision of public lighting and telecommunications services.
The receivables in question, amounting to Euro 5,404 thousand, refer to amounts accrued for services and supplies to subsidiaries of the Municipality of Verona, mainly from Acque Veronesi Scarl.

Receivables from associates

Trade receivables from associates amount to Euro 16 thousand.

Note 10 Current financial assets

A breakdown of the caption "Current financial assets" as at 31 December 2025 and 2024, is provided below.

Current financial assets	2025	2024	Change	% Change
Financial derivatives not held as non-current assets	1.169	-	1.169	NA
Other securities that do not constitute fixed assets	774	514	261	51%
Financial receivables from subsidiaries of parents - current portion	100	100	-	0%
Other equity investments in current assets	21	21	-	0%
Current Financial Receivables from Others – Current	5	5	-	0%
Total	**2.069**	**640**	**1.429**	**NA**

As at 31 December 2025, current financial assets include the positive fair value of hedging derivative contracts outstanding at the valuation date, amounting to Euro 1,169 thousand. As at 31 December 2024, this item was negative balance and was therefore presented within other non-current liabilities. The essential information on existing derivative contracts is provided below:

Type	Counterparty	Effective Date	Closing Date	Purpose	Risk hedged	Fair Value at 31/12/25
Commodity swap	BNPPARIBAS	01/12/2025	08/01/2026	Copertura	Revenue risk	22
Commodity swap	BNPPARIBAS	01/12/2025	08/01/2026	Copertura	Revenue risk	25
Commodity swap	BNPPARIBAS	01/12/2025	08/01/2026	Copertura	Revenue risk	36
Commodity swap	INTESA SAN PAOLO	27/08/2025	31/03/2026	Copertura	Revenue risk	59
Commodity swap	INTESA SAN PAOLO	04/11/2025	31/03/2026	Copertura	Revenue risk	12
Commodity swap	MPS	01/11/2025	31/03/2026	Copertura	Revenue risk	120
Commodity swap	MPS	01/11/2025	31/03/2026	Copertura	Revenue risk	98
Commodity swap	MPS	01/11/2025	31/03/2026	Copertura	Revenue risk	236
Commodity swap	MPS	01/11/2025	31/03/2026	Copertura	Revenue risk	118
Interest rate swap	MPS	14/10/2021	30/09/2027	Copertura	Interest risk	9
Interest rate swap	BPER	29/07/2015	31/12/2030	Copertura	Interest risk	213
Interest rate swap	BPER	10/09/2021	15/09/2038	Copertura	Interest risk	153
Interest rate swap	BCC LEASING	25/09/2019	30/06/2028	Copertura	Interest risk	68
						1.169

The item "Other securities that do not constitute fixed assets" amounts to Euro 774 thousand and relates, for 274 thousand, to a partially restricted deposit opened on 7 August 2025 at a financial institution with a one-year term and a gross interest rate of 1.25%, and, for Euro 500 thousand, to a restricted deposit opened on 16 December 2025 at a financial institution with a three-month term and a gross interest rate of 2.24%. The deposit relating to the previous year, amounting to Euro 514 thousand, expired on 6 August 2025.
The item financial receivables from companies under the control of the Parent Companies, amounting to Euro 100 thousand, relates entirely to the receivable due within 12 months arising from the sale of the equity investment in AMIA Verona S.p.A. to AMIAVR S.p.A., subsequently merged into AMIA Verona S.p.A.

Note 11 Current tax assets

A breakdown of the item "Current tax assets" as at 31 December 2025 and 2024, is provided below.

Current tax assets	2025	2024	Change	% Change
Current tax assets – IRES	2.300	8.817	(6.516)	-74%
Current tax assets – IRAP	1.949	2.212	(263)	-12%
Total	**4.249**	**11.029**	**(6.780)**	**-61%**

The receivables under discussion, amounting in total to Euro 4,249 thousand, relate to IRES for Euro 2,300 thousand and IRAP for Euro 1,949 thousand.

Note 12 Other current assets

A breakdown of the item "Other current assets" as at 31 December 2025 and 2024, is provided below.

Other current assets	2025	2024	Change	% Change
Other receivables	19.007	15.367	3.640	24%
Receivables from CSEA	11.289	10.028	1.261	13%
Tax receivables	10.656	22.950	(12.293)	-54%
Current prepaid expenses	5.967	3.374	2.593	77%
Incentive receivables on renewable sources	3.881	5.411	(1.530)	-28%
EEC - Energy Efficiency Certificates	1.015	1.462	(448)	-31%
Advances to suppliers	851	489	363	74%
Sundry receivables from parent companies	91	91	-	0%
Accrued income	58	57	-	0%
Receivables from subsidiaries	-	44	(44)	-100%
Total	**52.816**	**59.274**	**(6.458)**	**-11%**

The item "Other receivables", amounting to Euro 19,007 thousand, includes in particular receivables arising from the MEF's recognition of the annual instalment of the contribution for the implementation of the project "Interventi di sviluppo infrastrutturale per la transizione energetica nel comune di Verona", as well as receivables from the GSE, receivables from employees and advances.
The item "receivables from the Energy and Environmental Services Fund" amounting to Euro 11,289 thousand mainly includes receivables arising from current and prior-year components, as well as balancing components relating to gas and electricity distribution and metering activities.
The item "Tax receivables", which totals Euro 10,656 thousand, is mainly composed of the residual receivable arising from the 2024 Art-bonus (pursuant to Article 1 of Decree Law no. 83/2014) and the portion accrued in 2025, which may be used in three equal instalments from the following year, as well as VAT and excise receivables.
The decrease compared with the previous year is mainly attributable to the receivable existing as at 31 December 2024 relating to the extraordinary contribution for high energy bills, which was found not to be due, as well as to lower excise advance payments made during the year.
The item prepaid expenses, amounting to 5,967 thousand, mainly includes the portions of commissions accrued by agents for customer acquisition and the portions of bank charges payable on guarantees. It also

includes maintenance costs relating to future years and advance fees relating to the multi-year concessions of the gas and energy distribution networks in Vicenza, as well as the gas distribution network in Verona.
The item "receivables for renewable energy incentives" amounts to Euro 3,881 thousand and relates to receivables due from GSE.
With regard to other current assets, the item "Energy Efficiency Certificates (EECs)", amounting to Euro 1,015 thousand, relates to receivables from the Gestore dei Mercati Energetici for white certificates held in portfolio, acquired or generated to achieve energy efficiency targets and prudently measured at the cancellation contribution value.

Note 13 Cash and cash equivalents

Di seguito il dettaglio della voce "Disponibilità liquide e mezzi equivalenti" al 31 dicembre 2025 e 2024.

Cash and cash equivalents	2025	2024	Change	% Change
Bank and postal accounts	62.482	27.025	35.457	NA
Cash-in-hand and cash equivalents	94	108	(13)	-12%
Total	**62.576**	**27.132**	**35.444**	**NA**

The amount of Euro 62,576 thousand relates to cash and cash equivalents held with banks at the reporting date, comprising Euro 62,482 thousand in bank current account balances and the remaining amount in cash on hand and cash equivalents. For a detailed breakdown and analysis of the change in this item, reference is made to the cash flow statement included among the financial statement schedules.

4. Other Assets

Note 14 Assets held for sale

The following is a breakdown of the "Assets Held for Sale" item as at 31 December 2025 and 2024.

Assets held for sale	2025	2024	Change	% Change
Assets held for sale	2.200	2.200	-	0%
Total	**2.200**	**2.200**	-	**0%**

In the comparison table, the amount of Euro 2,200 thousand refers to the land for sale located in the Municipality of Rivoli Veronese, which the Group intends to sell at the end of a settlement agreed with the municipality regarding its intended use. The amount reflects the fair value based on an appraisal prepared by an independent expert.

5. Equity

Note 15 Shareholders' Equity

Equity	Share capital	Share premium/ contri- bution reserve	Reva- luation surplus	Legal reserve	Extraor- dinary reserve	Capital grants reserve	Transfor- mation reserve as per Law 127/97	IFRS FTA Reser- ve	Other reser- ves
Opening Balance	95.588	384.339	7.385	18.574	3.875	3.194	34.836	(879)	31.582
Allocation of the result	-	-	-	543	-	-	-	-	-
Changes in scope	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	199
Other changes	-	-	-	-	-	-	-	-	(829)
Foreign exchange difference	-	-	-	-	-	-	-	-	43
Profit (loss) for the year	-	-	-	-	-	-	-	-	-
Closing Balance	**95.588**	**384.339**	**7.385**	**19.118**	**3.875**	**3.194**	**34.836**	**(879)**	**30.995**

Equity	Cash flow hedge reser- ve	Retained earnings (losses)	Conso- lidation reserve	Profit (loss) for the year	Group Total Equity	Minori- ty inte- rests in share capital and re- serves	Profit (loss) attribu- table to minority interests	Net equity attri- bu- table to mi- nority intere- sts	Total equity
Opening Balance	(270)	32.952	19.079	48.858	679.112	17.846	3.752	21.597	700.709
Allocation of the result	-	48.315	-	(48.858)	-	3.752	(3.752)	-	-
Changes in scope	-	-	41	-	41	(561)	-	(561)	(519)
Dividends paid	-	(28.900)	-	-	(28.900)	(2.346)	-	(2.346)	(31.246)
Other comprehensive income	92	-	1.033	-	1.324	53	-	53	1.378
Other changes	-	(2.306)	1.500	-	(1.636)	201	-	201	(1.435)
Foreign exchange difference	-	-	-	-	43	39	-	39	82
Profit (loss) for the year	-	-	-	54.086	54.086	-	3.866	3.866	57.952
Closing Balance	**(178)**	**50.059**	**21.653**	**54.086**	**704.071**	**18.985**	**3.866**	**22.851**	**726.922**

Pursuant to Article 2427, point 7 bis, of the Italian Civil Code, it should be noted that the legal reserve can only be used to cover losses and the other reserves cannot be distributed as regards the portion deriving from the allocation of revaluations of equity investments valued at equity, while all other reserves can be used to cover losses, to increase the share capital and also for distribution to shareholders.
The share capital of Magis S.p.A., amounting to Euro 95,588 thousand, is held 61.2% by the Municipality of Verona and 38.8% by the Municipality of Vicenza and consists of 63,725,490 ordinary shares with a nominal value of Euro 1.5 each.
The Share premium/contribution reserve from shares/contributions amounts to Euro 384,339 thousand. It was set up in 1999 following the completion of the Special Enterprise's valuation process and decreased by Euro 2,921 thousand in 2001 in relation to the free capital increase, concurrently with the conversion into Euro. In 2021, it increased even further following the increase approved for the issue of the shares to be assigned to the shareholders of the merged Companies, as part of the extraordinary transaction for the re-organisation of the Group.
The legal reserve of Euro 19,118 thousand was increased during the year, with the allocation of part of the 2024 profits.
The extraordinary reserve of Euro 3,875 thousand remained unchanged compared to the previous year.
The reserve for contributions of Euro 3,194 thousand includes the residual portions (not included in the above-mentioned share premium/contribution reserve) of capital contributions for investments received up to 31 December 1997 and recognised under the equity components, in line with the accounting criteria adopted up to that date.
The reserve for adjusting values under Law 127/97 for Euro 34,836 thousand was recognised in 2000 following the adjustment of the values of the assets contributed by the Special Enterprise to the joint stock company on 1 January 2000, based on the valuations prepared by the Board of Directors with reference to the appraisal prepared pursuant to and for the purposes of Article 2343 of the Italian Civil Code.
The IFRS FTA reserve, negative for Euro 879 thousand, represents the amount recognised as at 1 January 2021 upon the adoption of the international accounting standards IAS/IFRS.
The cash flow hedge reserve, recognised as a negative adjustment to equity amounting to Euro 178 thousand, relates to the measurement under the Cash Flow Hedge method of derivatives hedging the cash flows associated with interest rates on borrowings. The value is recognised net of tax effects. As provided for in Article 2426, paragraph 1, number 11-bis, of the Italian Civil Code: "equity reserves arising from the fair value measurement of derivatives used to hedge the expected cash flows of another financial instrument or planned transaction are not considered in the calculation of equity for the purposes of Articles 2412, 2433, 2442, 2446 and 2447 and, if positive, are not available and cannot be used to cover losses."
Retained earnings, which amounted to Euro 50,059 thousand, increased due to the allocation of the previous year's result and decreased due to the distribution of dividends.

Profit for the year

Consolidated profit for the year amounts to Euro 57,952 thousand and includes the result for the period of Gruppo Magis, inclusive of non-controlling interests.

Equity attributable to minority interests

Equity attributable to minority interests amounted to Euro 22,851 thousand, of which Euro 3,866 thousand for profits.

Statement for reconciliation between Parent Company and consolidated financial statements				
	2025		2024	
Statement of reconciliation	**Profit (Loss)**	**Equity**	**Profit (Loss)**	**Equity**
Statutory values of Magis Spa	30.012	591.708	30.257	590.766
Dividends received from consolidated companies	(51.053)	-	(53.232)	-
Value of consolidated equity investments		(750.416)		(657.216)
Equity and profit (loss) of consolidated companies	84.432	687.842	82.399	643.136
Amortisation of Deficits	(6.889)	172.624	(7.717)	103.799
Effect of other adjustments	(2.415)	2.313	(2.850)	(1.018)
Balances of the Consolidated Financial Statements attributable to the Group	54.086	704.071	48.858	679.245
Balances of the Consolidated Financial Statements attributable to minority interests	3.866	22.851	3.752	21.464
Total consolidated financial statements balances	**57.952**	**726.922**	**52.610**	**700.709**

6. Non-current liabilities

Note 16 Non-current financial liabilities

A breakdown of the item "Non-current financial liabilities" at 31 December 2025 and 2024 is provided below.

Non-current financial liabilities	2025	2024	Change	% Change
Bonds	104.600	55.140	49.460	90%
Bank loans	175.277	111.570	63.707	57%
Loans and borrowings from other financial backers	12.281	2.773	9.508	NA
Total	**292.157**	**169.483**	**122.674**	**72%**

The following table shows the main changes in non-current financial liabilities that occurred during the year:

	Opening balance	Increases	Decreases	Change in scope	Reclassifications	Foreign exchange difference	Closing Balance
Bonds – non-current portion	55.140	49.460	-	-	-	-	104.600
Bank loans	111.570	133.458	(58)	20.899	(90.649)	57	175.277
Non-current liabilities to other financing providers	2.773	13.996	(165)	-	(4.309)	1	12.281
Total	**169.483**	**196.914**	**(223)**	**20.899**	**(94.958)**	**58**	**292.157**

The closing balance of the item bonds consists of a bond issued in 2017 and renegotiated during 2024 with a residual value of Euro 10,071 thousand, maturing20 September 2027; a bond with GREEN BOND characteristics, issued in 2024 with a nominal amount of Euro 46,000 thousand, maturing on 7 August 2031, based on the Green Financial Framework; and a third fixed-rate bond of the NPA type (Note Purchase and Private Shelf Agreement), issued with one of the main foreign funds for a total amount of Euro 200,000 thousand – equal to a maximum equivalent value of USD 200,000 thousand - issued during the year on 26 June 2025, with a first tranche with a nominal amount of Euro 50,000 thousand, maturing on 26 June 2037.
All three bonds are listed on the Main Securities Market, a regulated market managed by Euronext Dublin – Irish Stock Exchange, and enable the Group to retain its Public Interest Entity status.
The total amount of long-term bank loans of Euro 175,277 thousand represents the principal amount of mortgage loans net of the differences due to the application of the amortised cost method.
The total amount of bank loans, including the short-term portion owed for the principal amount, as reported under current liabilities, is Euro 188,521 thousand and includes new loans taken out during the current year, for a nominal amount of Euro 133,458 thousand.
Loans granted by banks require compliance with certain covenants, which, as at 31 December 2025, have been met.
The costs incurred by the Company to obtain bank loans were initially recognised with a reduction in financial liabilities and subsequently recognised among financial expenses using the amortised cost method in accordance with IFRS 9.
The item "Loans and borrowings from other financial backers", amounting to Euro 12.281 thousand, include the non-current portion of lease payables for property, plant and equipment recorded in accordance with IFRS 16.

Note 17 Employee benefits

The breakdown of the item "Employee benefits" at 31 December 2025 and the changes occurred compared to 31 December 2024 are shown below.

Employee benefits	Opening balance	Accruals	Changes in scope	Uses	Other changes	Other comprehensive income - Employee benefits	Closing Balance
Employee severance indemnities	12.973	3.667	471	(1.619)	(2.970)	(505)	12.017
Provision for rate discounts	5.101	169	-	(382)	66	528	5.481
Total	**18.074**	**3.836**	**471**	**(2.001)**	**(2.904)**	**22**	**17.498**

In compliance with IAS 19, the employee severance indemnities (TFR) and discounts from tariff rates applied to former employees have been considered as defined benefit obligations and consequently, the related liability is measured using actuarial techniques. In accordance with IAS 19, actuarial valuations are carried out based on the accrued benefit method using the Projected Unit Credit Method. This method calculates the TFR accrued at a specified date on an actuarial basis, allocating the charge over the residual work life of current employees. The technical assessments required by the application of IAS 19 were carried out on the basis of the technical-economic assumptions set out below.

Summary of the technical and economic bases	2025	2024
Discounting annual rate	3,96%	3,38%
Annual inflation rate	2,00%	2,00%
TFR annual growth rate	3,00%	3,00%
Effective annual remuneration growth rate	0,75%	0,75%

It should be noted that:

- the annual discount rate used to determine the current value of the bond has been calculated, in line with paragraph 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 10+ recorded at the valuation date. To this end, the yield was chosen with a duration comparable to the duration of the group of workers being assessed;
- the annual rate of increase in severance pay, as provided for by Article 2120 of the Italian Civil Code, is equal to 75% of inflation plus 1.5 percentage points;
- since the Company had an average of fewer than 50 employees during 2006, the annual wage growth rate used was determined based on the data provided by the Companies.

Note 18 Provision for risks and charges

A breakdown of the “Provision for risks and charges” as at 31 December 2025 and 2024, is provided below.

rovision for risks and future charges	Opening balance	Accruals	Changes Percentage/ Method change	Uses	Reclassifications	Other changes	Closing Balance
Provisions for pensions and similar obligations	432	31	169	-	-	-	633
Provision for future charges	34.448	6.375	-	(2.608)	785	3.341	42.342
Provision for sundry risks	29.331	5.818	261	(1.931)	(1.009)	447	32.917
Total	**64.211**	**12.224**	**431**	**(4.538)**	**(224)**	**3.788**	**75.891**

The provision for future charges includes estimated charges that the Group will incur in future years, mainly:

- euro 6,376 thousand related to cyclical maintenance, dismantling charges, demolition, and environmental restoration of the electricity and cogeneration power plants;
- Euro 7,544 thousand as a restriction on revenue from heat and district heating for the year, allocated by the Group to the provision for future charges on the basis of ARERA Resolution no. 68/2023, as an offset to the reduction in revenue for the year, pending further clarification from ARERA on how the aforementioned resolution should be applied;
- Euro 2,000 thousand for charges relating to concessions with the Municipality of Vicenza and with some Municipalities of the Province of Vicenza for the distribution of gas, attributable to the uncertainty over the extension of the distribution service and in particular towards the Municipality of Vicenza to take into account the shorter duration of the concession itself as a result of current legislation, depending on the award of the tender;
- euro 1,480 thousand for estimated possible charges related to occupation of public land;
- around Euro 770 thousand for the amount allocated in relation to the extraordinary plan for the replacement of gas meters in the province of Vicenza, in compliance with AEEG (Italian Regulatory Authority for Electricity and Gas) Resolution 155/2008;
- euro 1,000 thousand for expenses for plants under construction;
- euro 20,763 thousand in total relating to post-closure works to be carried out for the landfill sites of Grumolo delle Abbadesse (Vicenza) and Lonigo (Vicenza), including the related remediation costs;
- Euro 1,827 thousand for charges potentially arising from the tariff limits set by the Price cap legislation at 180 Euro/MWh, which entered into force with the EU Energy Council Regulation as from 15/02/2023.

The provisions made during the year mainly relate to Euro 3,871 thousand allocated as a restriction on revenue arising from heat production and district heating activities, as well as further provisions of Euro 1,500 thousand intended to cover the costs of environmental remediation works in the areas used as landfills in Grumolo delle Abbadesse (VI) and Lonigo (VI).

During the year, utilisations amounted to a total of Euro 2,608 thousand, of which Euro 1,017 thousand is attributable to the reversal of provisions relating to potential future charges vis-à-vis the Municipality of Vicenza, as well as to the coverage of the costs of decommissioning gas meters.

The provision for sundry risks mainly includes:

- Euro 22,567 thousand for a prudent estimate of amounts that may be due to third parties as a result of interpretations of sector regulations, as well as allocations to cover disputes and contractual risks. During the year, the provision was increased by a further Euro 5,818 thousand;
- Euro 5,967 thousand relating to pending litigation, claims for compensation and risks associated with asset items that have potential recoverability issues for which it was considered prudent to make a provision for risks, and risks relating to the personnel area.

The Group is still awaiting the outcome of the pending dispute with the tax authorities concerning the partial reimbursement of the solidarity contribution (Article 1, paragraphs 115 to 119 of Law no. 197/2022).

Note 19 Deferred tax liabilities

A breakdown of the item “Deferred tax liabilities” as at 31 December 2025 and 2024, is provided below.

Deferred tax liabilities	Opening balance	Accruals	Changes in scope	Uses	Other income components	Other changes	Closing Balance
Provisions for taxes, including deferred tax liabilities	26.776	571	21.730	(4.142)	180	(6)	45.110
Total	**26.776**	**571**	**21.730**	**(4.142)**	**180**	**(6)**	**45.110**

The provision for deferred taxes includes the payable for deferred tax liabilities on positive income components recognised in 2025 or in previous years, which do not show the characteristics for contributing to the taxable income for the current year. Deferred tax liabilities originated mainly from differences between the statutory and tax values of fixed assets. The uses are mainly attributable to the reversal of tax depreciation recognised in previous years and to the tax effect of fair values allocated within the purchase price allocation.

Note 20 Other non-current liabilities

A breakdown of “Other non-current liabilities” as at 31 December 2025 and 2024, is provided below.

Other non-current liabilities	2025	2024	Change	% Change
Provisions for financial instrument liabilities	235	1.318	(1.084)	-82%
Advances	-	4.665	(4.665)	-100%
Other non-current payables	830	487	343	70%
Deferred income	45.765	22.448	23.317	NA
Total	**46.830**	**28.918**	**17.912**	**62%**

Deferred income is mainly composed of prepaid capital grants related to plants recognised to profit or loss on the basis of the useful life of the assets to which they refer, from the moment they enter into operation.
The item “Provisions for financial instruments liabilities” includes the negative fair value of hedging derivatives at the measurement date.
The essential information on existing derivative contracts is provided below.

Type	Counterparty	Effective Date	Closing Date	Purpose	Risk hedged	Fair Value at 31/12/25
Interest rate swaps	BPM	13/02/2024	31/12/2028	Hedging	Interest risk	(117)
Interest rate swaps	BNP PARIBAS	13/02/2024	31/12/2028	Hedging	Interest risk	(117)
						(235)

7. Current liabilities

Note 21 Current financial liabilities

A breakdown of the item "Current financial liabilities" as at 31 December 2025 and 2024, is provided below.

Current financial liabilities	2025	2024	Change	% Change
Bank borrowings	237.363	166.747	70.616	42%
Loans and borrowings from other financial backers	4.989	2.171	2.818	NA
Payable to the Municipality of Vicenza for approved dividends	22.000	25.530	(3.531)	-14%
Payable to the Municipality of Verona for approved dividends	37.689	40.270	(2.581)	-6%
Total	**302.041**	**234.718**	**67.323**	**29%**

Bank borrowing consists mainly of overdrawn current account balances, totalling Euro 224,119 thousand, and short-term portions of loans, amounting to Euro 13,245 thousand. During the year, new loans were disbursed for a total nominal value of Euro 133,458 thousand, part of which have a short term maturity. The portion of mortgage loans repaid in 2025 was Euro 140,829 thousand.

The item "Loans and borrowings from other financial backers", amounting to Euro 4,989 thousand, include the short-term portion of lease liabilities on property, plant and equipment recognised in the financial statements in accordance with the financial method for accounting for leases restated according to the principles set out in IFRS 16.

The payables to the Municipality of Vicenza and the Municipality of Verona for dividends approved amount to Euro 22,000 thousand and Euro 37,689 thousand respectively.

Note 22 Trade payables

A breakdown of "Trade payables" as at 31 December 2025 and 2024, is provided below.

Trade payables	2025	2024	Change	% Change
Advances	6.754	1.839	4.914	NA
Trade payables	333.695	379.775	(46.080)	-12%
Payables to parent companies	763	48	715	NA
Payables to subsidiaries	-	(6)	6	-100%
Payables to associates	493	-	493	NA
Payables to subsidiaries of the parent companies	78	254	(176)	-69%
Total	**341.782**	**381.910**	**(40.128)**	**-11%**

Advances

The item "Advances", amounting to Euro 6,754 thousand, relates to amounts received for various reasons from customers.

Trade payables

Trade payables, amounting to Euro 333,695 thousand, net of the credit notes to be received, include both payables for invoices received, but not yet past due, and payables accrued in relation to the relevant purchases and services received in the following year.

Payables to parent companies

Trade payables to the Municipality of Verona, amounting to Euro 763 thousand, relate to the amount of the 2025 Single Property Fee for the concession to manage the district heating service.

Payables to associates

Payables to associates, amounting to Euro 493 thousand, relate entirely to the associate Legnago Servizi S.p.A. and mainly refer to invoices to be received for services obtained during the year, including rent and leases, as well as maintenance and repair work.

Payables to subsidiaries of the parent companies

The payables in question amount to Euro 78 thousand.

Note 23 Current tax liabilities

A breakdown of the item "Current tax liabilities" as at 31 December 2025 and 2024, is provided below.

Current tax liabilities	2025	2024	Change	% Change
Current tax payables for IRES	2.922	10.208	(7.286)	-71%
Current tax payables for IRAP	669	1.173	(504)	-43%
Total	**3.592**	**11.381**	**(7.789)**	**-68%**

Current tax liabilities refer to current IRES (corporate income tax) and IRAP (regional tax on productive activity) taxes for the year.

Note 24 Other current liabilities

A breakdown of "Other current liabilities" as at 31 December 2025 and 2024, is provided below.

Other current liabilities	2025	2024	Change	% Change
Other current payables	29.574	30.945	(1.370)	-4%
Payables for excise duties	19.357	8.775	10.582	NA
Payables to CSEA	19.132	24.011	(4.879)	-20%
Security deposits	18.655	16.544	2.111	13%
Payables to employees	7.850	7.340	510	7%
Payables to social security and welfare institutions	6.141	5.564	577	10%
Tax payables	4.867	18.938	(14.071)	-74%
Deferred income	4.347	15.667	(11.319)	-72%
Payable for collection of RAI TV licence fee	2.408	1.869	539	29%
Accrued expenses	1.380	1.280	101	8%
Sundry payables to subsidiaries of parent companies	219	219	-	0%
Sundry payables to parent companies	-	5	(5)	-100%
Total	**113.931**	**131.155**	**(17.224)**	**-13%**

The item "Other current payables", amounting to Euro 29,574 thousand, mainly consists of payables to users related to bills, as well as payables for other post-employment provisions and to Arera.
The item "Payables for excise duties", amounting to Euro 19,357 thousand, comprises payables for taxes on the consumption of gas and electricity.
Payables to CSEA mainly refer to equalisation and adjustment amounts for gas and electricity distribution services, amounting to Euro 19,132 thousand.
The item security deposits, amounting to Euro 18,655 thousand, includes amounts received as security deposits from customers upon signing of service supply contracts.
The item "amounts due to employees", amounting to Euro 7,850 thousand, includes amounts payable to employees in respect of productivity bonuses and accrued but untaken holiday entitlement as at 31 December 2025. 2025.
The item "Social security charges payable", amounting to Euro 6,141 thousand, includes the payables to INPS, "Gestione Separata" (separate pension fund), INPDAP and various supplementary pension institutions.
The item "Tax payables", totalling Euro 4,867 thousand, mainly includes the Group's VAT payable to the Tax Authorities.

Deferred income, amounting to Euro 4,347 thousand, mainly relates to contributions related to plants, as well as connections for the distribution of gas and electricity.
The item "Payable for collection of the RAI TV licence fee", amounting to Euro 2,408 thousand, refers to the payable to the Italian Revenue Agency for the amount stated and collected in the electricity bills.
The item "Accrued expenses" amounts to Euro 1,380 thousand and mainly relates to accrued interest expenses on loans and bonds.

8. Value of production

Note 25 Revenue from sales and services

Below is a breakdown by business category of the item "Revenue from sales and services" for the financial years ended 31 December 2025 and 2024 with an indication of the change.

Revenue from sales and services	2025	2024	Change	% Change
Revenue from electricity	1.308.046	1.186.702	121.344	10%
Revenue from methane gas	598.336	483.005	115.330	24%
Fees for collection and sweeping	73.595	69.116	4.479	6%
Revenue from waste treatment	40.200	34.894	5.306	15%
Revenue from heat	35.216	33.217	1.999	6%
Revenue from public lighting	14.993	11.536	3.458	30%
Sundry revenue	4.882	18.650	(13.768)	-74%
Revenue from sales of recycled materials	4.253	4.064	189	5%
Revenue from electric mobility	3.054	385	2.669	NA
Revenue from fibre optics	2.483	2.852	(369)	-13%
Revenue from connections	2.431	2.183	248	11%
Income from car parks and parking services	1.887	1.945	(58)	-3%
Total	**2.089.375**	**1.848.549**	**240.826**	**13%**

During 2025, the energy context was characterised by a heterogeneous trend in demand at national level.
In particular, in the electricity market, alternating monthly dynamics were recorded, with periods of growth and contraction that led, on an annual basis, to substantial stability compared with the previous year.
The natural gas market, on the other hand, recorded a reversal of trend compared with previous years, with demand growth of +4.7% compared with 2024.
In this context, the average annual prices of electricity and gas also showed a slight increase, consistent with the demand dynamics.
In this scenario, the Group's total revenue amounted to Euro 2,089,375 thousand, up 13% compared to the previous year, mainly due to price trends and sales volume performance.
For further details regarding the specific macroeconomic dynamics of the individual business segments and the events affecting the Company that led to changes in the amounts of the various revenue items, reference is made to the relevant sections of the Report on Operations.
Revenue from the sale of electricity amounted to Euro 1,308,046 thousand and relates to the production, distribution and marketing of electricity to end customers and wholesalers.
Total revenue relating to methane gas, amounting to Euro 598,336 thousand, is attributable to the distribution and sale of gas to the same type of customers.
The increase in revenue for both the items mentioned above compared with the previous year is mainly attributable both to the growth in volumes sold during 2025 and to the increase in commodity prices.
Revenues from urban health services amount in total to Euro 73,595 thousand and relate to the collection and transport of municipal waste carried out mainly in the Province of Verona and in the Municipality of Vicenza, pursuant to the service concessions granted.
Revenues from municipal solid waste treatment activities, amounting to Euro 40,200 thousand, relate to customers, public authorities and companies operating in waste management services in the Provinces of Vicenza and Verona and in the Municipality of Tirana (Albania).

Revenue from the sale of heat amounted to Euro 35,216 thousand and refers to the sale of heat for district heating in the urban networks of Verona and Vicenza. Sales activity in 2025 remained substantially stable compared with the previous year, with volumes sold in line with those of 2024.
Revenues from public lighting activities, amounting to Euro 14,993 thousand, relate mainly to services rendered under the project financing agreement for the management of public lighting entered into with the Municipality of Verona, including the supply of electricity, with a term extending until 2037, as well as in other municipalities in the Veneto region where concessions for the management of the service have been obtained.
Sundry revenue, amounting to Euro 4,882 thousand, included revenue from the rental of water networks and services provided to Acque Veronesi Scarl and Viacqua Spa, totalling Euro 4,173 thousand, and revenue from the cancellation of black certificates, totalling Euro 1,887 thousand. The variance compared with the previous year is attributable to the negative amount included in the balance relating to the recognition of the social bonus paid to electricity and gas end customers in accordance with the decrees issued by the Government to mitigate high energy bills.
Revenue from sales of recycled material amounted to Euro 4,253 thousand.
Revenue from electric mobility amounted to Euro 3,054 thousand and mainly relates to the installation work for charging stations for vehicle fleets, primarily in the municipality of Vicenza.
Revenue from telecommunications services, amounting to Euro 2,483 thousand, refers to the rent of the fibre optic network and connectivity services, partly provided to the Municipality of Verona.
Revenues from connections, amounting to Euro 2,431 thousand, consists of Euro 2,169 thousand in contributions for electricity connections and Euro 262 thousand in contributions for gas connections.
Revenue from car parks and parking services of Euro 1,887 thousand relates to fees for the management of the parking service in the Municipality of Vicenza.

Revenue by geographic area

The revenue mentioned above was achieved in Italy, especially in the cities of Verona and Vicenza, in addition to their provinces. With regard to urban health services, it was partly achieved in the city of Tirana (Albania), despite the insignificant impact in comparison to the Group's total revenue.

Note 26 Change in inventories

Change in inventories of finished products and goods	2025	2024	Change	% Change
Change in product inventories	517	(1.015)	(1.532)	NA
Total	**517**	**(1.015)**	**(1.532)**	**NA**

This item refers to gas in storage intended for sale.

Note 27 Other revenues

A breakdown of "Other revenues" is provided below for the financial years ended 31 December 2025 and 2024.

Other revenues	2025	2024	Change	% Change
Grants for current expenses	17.296	9.550	7.747	81%
Electricity market revenue	10.531	8.880	1.651	19%
Contingent items and non-realised losses	4.359	3.157	1.202	38%
Other revenues	2.970	7.641	(4.670)	-61%
Contributions/grants	2.848	2.579	269	10%
Indemnities, reimbursements and other	1.277	269	1.008	NA
Gains	576	369	207	56%
Revenue from services to third parties	299	594	(295)	-50%
Certified revenues	116	139	(22)	-16%
Other revenues	**40.274**	**33.177**	**7.097**	**21%**
Increases in non-current assets	**27.842**	**34.719**	**(6.877)**	**-20%**
Total	**68.116**	**67.896**	**220**	**0%**

The item “Grants for current expenses”, amounting to Euro 17,296 thousand, mainly includes incentives on production from renewable sources, as required by Ministerial Decree of 6 July 2012, and grants for current expenses in the exploitation of photovoltaic renewable energy sources. The rise in these contributions reflects the Company’s commitment to generating output through the use of renewable energy sources.
Electricity market revenue amounted to Euro 10,531 thousand and mainly consists of Euro 6,037 thousand for the Remuneration Mechanism for Electricity Generation Capacity (Capacity Payment) for the Mincio Combined Cycle Power Plant.
The item relating to contingent items and non-realised losses amounts to a total of Euro 4,359 thousand and refers to the impact on the income statement of financial statement items previously recognised on the basis of estimates.
Other revenue amounts to a total of Euro 2,970 thousand and mainly relates to the tax benefit arising from the 2025 Art Bonus (pursuant to Article 1 of Decree Law no. 83/2014). This benefit, relating to donations in support of cultural assets and initiatives, may be used in three equal instalments from the following year, for a total amount of Euro 663 thousand.
Grants related to plants amount to Euro 2,848 thousand and mainly relate to the release of grants for plants and gas and electricity distribution networks.

The increases in fixed assets, amounting to Euro 27,842 thousand, include costs relating to consumable materials, services and personnel employed in the construction of company plants and in capital improvement maintenance works carried out for the technological upgrading of production facilities. The table below provides a breakdown of this item.

Increases in non-current assets	2025	2024	Change	% Change
Labour	12.595	14.643	(2.049)	-14%
Materials	10.284	14.370	(4.086)	-28%
Services	4.963	5.706	(742)	-13%
Total	**27.842**	**34.719**	**(6.877)**	**-20%**

9. Operating costs

Note 28 Costs for raw materials and consumables

A breakdown by business category of “Costs for raw materials and consumables” is provided below for the financial years ended 31 December 2025 and 2024.

Costs for raw materials and consumables	2025	2024	Change	% Change
Electricity	632.153	543.750	88.403	16%
Gas	375.165	289.371	85.794	30%
Purchase of materials	25.351	28.895	(3.544)	-12%
Purchase of heat	323	378	(56)	-15%
Change in inventories	361	2.506	(2.144)	-86%
Total	**1.033.353**	**864.900**	**168.452**	**19%**

As already noted in the commentary on the revenue section, the current year was marked by substantial stability in average demand (despite its uneven trend during the year) and by generally higher prices for energy commodities at national level. See the Report on Operations for more details regarding the various factors that influenced performance of this item, both in terms of volume and price.
Costs for raw materials and consumables, which totalled Euro 1,033,353 thousand, increased by 19% compared with the previous year due to higher average prices and higher volumes purchased.
Purchases of electricity amount to Euro 632,153 thousand and mainly relate to electricity acquired for sale to end customers and on the wholesale market.
Purchases of gas amount to Euro 375,165 thousand and relate to gas acquired for sale to end customers and on the wholesale market, as well as for the requirements of electricity generation plants.
The item “purchase of materials”, amounting to Euro 25,351 thousand, mainly relates to purchases made by the Gruppo Magis companies during the year for consumable materials, fuel and maintenance materials, including those acquired to build up warehouse inventories.
The item “Change in inventories”, amounting to Euro 361 thousand, relates to materials held in stock.
The item “Purchase of heat” of Euro 323 thousand refers to the procurement of heat from third parties.

Note 29 Costs for services

A breakdown of "Costs of services" is provided below for the financial years ended 31 December 2025 and 2024.

Costs for services	2025	2024	Change	% Change
Electricity transmission and system costs	478.079	423.667	54.412	13%
Gas transport	155.083	186.726	(31.643)	-17%
Costs for works and maintenance	28.904	25.125	3.778	15%
Costs for disposal	28.787	24.103	4.683	19%
Commissions	23.610	18.136	5.474	30%
Hardware and software maintenance	12.627	9.589	3.038	32%
Other services	7.804	5.791	2.013	35%
Professional services	7.039	5.216	1.823	35%
Various outsourced services	5.077	4.977	100	2%
Insurance	4.070	4.307	(237)	-6%
Personnel costs	3.993	4.120	(127)	-3%
Intercompany services	3.848	3.677	170	5%
Bank services	3.836	3.596	241	7%
Advertising and sponsorships	3.334	2.234	1.100	49%
Security, cleaning and porterage	3.310	3.052	258	8%
Delivery and bill collection charges	1.799	2.284	(485)	-21%
Service agreement charges	1.548	1.506	41	3%
IT services	1.329	1.910	(580)	-30%
Directors' remuneration	1.188	1.048	140	13%
Telephony expenses	1.077	1.050	27	3%
Board of Statutory Auditors fees	587	494	93	19%
Meter reading	496	251	245	98%
Temporary employment	364	455	(91)	-20%
Internal consumption for office use	198	302	(104)	-35%
Other environmental services	188	187	2	1%
Maintenance of green areas: gre-enhouses and gardens	13	7	6	78%
Total	**778.189**	**733.811**	**44.377**	**6%**

The most significant item relates to electricity and gas transmission charges, amounting respectively to Euro 478,079 thousand and Euro 155,083 thousand, representing amounts associated with the transport of electricity and gas. This item also includes chargebacks to offset EUAs amounting to Euro 1,887 thousand.
The item "Costs for works and maintenance", totalling Euro 28,904 thousand, mainly refers to services for maintenance of production plants and networks.
Waste disposal costs, amounting to Euro 28,787 thousand, refer to the charges incurred by the Group in connection with environmental health activities.
The item "Commissions", equal to Euro 23,610 thousand, refers to the recognition of agents' commissions on electricity and gas sales.
Hardware and software maintenance costs total Euro 12,627 thousand and mainly relate to software maintenance fees, amounting to Euro 11,319 thousand.

Note 30 Costs for the use of third-party assets

A breakdown of "Leases and rentals" is provided below for the financial years ended 31 December 2025 and 2024.

Costs for the use of third-party assets	2025	2024	Change	% Change
Rent for the use of third-party networks	5.392	5.555	(163)	-3%
Other costs for leases and rentals - Crossing fees and fees for hydroelectric use	4.797	4.942	(145)	-3%
Rents and leases	1.949	1.764	186	11%
Rentals	1.727	2.342	(615)	-26%
Concession charges	523	463	60	13%
Lease payments	10	64	(55)	-85%
Total	**14.398**	**15.129**	**(732)**	**-5%**

The item "Rent for the use of third-party networks" totals Euro 5,392 thousand and relates to rental and concession fees paid for the use of gas distribution networks outside the municipal areas of Verona and Vicenza. This includes Euro 1,525 thousand for the fee paid to the Municipality of Treviso for the concession of the gas distribution service.
The other lease and rental costs includes crossing fees and fees for hydroelectric use totalling Euro 4,797 thousand.
Concession charges, totalling Euro 523 thousand, include the fee for parking management activities in the Municipality of Vicenza amounting to Euro 343 thousand.
Residual items include rental and lease costs, as well as rental and operating lease costs for the company's industrial vehicles.

Note 31 Other operating costs

A breakdown of "Other operating costs" is provided below for the financial years ended 31 December 2025 and 2024.

Other operating costs	2025	2024	Change	% Change
Purchase of certificates	13.068	7.880	5.188	66%
Other general expenses	3.296	2.096	1.201	57%
Contingent liabilities	2.128	2.272	(144)	-6%
Other taxes and duties	1.778	1.432	346	24%
IMU	1.548	1.571	(23)	-1%
Losses on disposals and non-realised gains	1.430	2.980	(1.551)	-52%
Donations	1.372	6.008	(4.636)	-77%
Indemnities	961	608	352	58%
Authority Contribution	580	609	(30)	-5%
Total	**26.161**	**25.457**	**704**	**3%**

The item "Purchase of certificates", amounting to Euro 13,068 thousand, refers to the purchase of EUAs (European Emission Allowances) necessary to fulfil the offset obligation for the Group's plants subject to the "Emission Trading" Directive.
Other general expenses, amounting to Euro 3,296 thousand, include expenses of various kinds, including membership fees, amounts to be repaid to CSEA and other amounts due in the form of reimbursements, penalties and fines.
Contingent liabilities amount to Euro 2,128 and include adjustments and corrections of estimates referring to previous years and adjustments for the imbalance of consumption units.
The item "Other taxes and duties", amounting to Euro 1,778 thousand, includes indirect taxes such as COSAP, stamp duties and others.

IMU, amounting to Euro 1,548 thousand, relates to the municipal property tax due on buildings and plants owned by the Group.
The item "losses on disposals and write-offs", amounting to Euro 1,430 thousand, relates to the disposal of obsolete and no longer usable fixed assets, as well as to receivables subsequently determined to be non-existent.
Charitable donations amount in total to Euro 1,372 thousand and include donations in respect of which the Art Bonus tax credit accrued pursuant to Article 1 of Decree-Law No. 83/2014, as also discussed in the previous sections of the explanatory notes.

Note 32 Personnel costs

This item consists of the entire outlay for employees, including the cost of unused holiday leave, and statutory provisions for collective bargaining agreements. The table below gives a breakdown of the figure for the financial years ended 31 December 2025 and 2024:

Personnel costs	2025	2024	Change	% Change
Wages and salaries	75.135	70.270	4.864	7%
Social security contributions	21.756	21.038	717	3%
Employee severance indemnities	4.224	4.201	23	1%
Employee pensions and similar obligations	4	4	-	0%
Other personnel costs	856	1.437	(582)	-40%
Total	**101.974**	**96.951**	**5.023**	**5%**

The table below shows the number of employees broken down by category.

Headcount	2024	Recruitment	Terminations	Change in scope	2025	Average
Senior managers	17	3	(2)	3	21	36
Middle managers	61	4	(3)	8	70	61
White collar workers	735	33	(33)	34	769	777
Blue collar workers	1.534	128	(120)	-	1.542	1.528
Total	**2.347**	**168**	**(158)**	**45**	**2.402**	**2.403**

The total workforce as at 31 December 2025 was 2,402 with an overall increase of 55 compared to 31 December 2024. The average personnel cost amounts to Euro 43 thousand.

Note 33 Amortisation, depreciation, provisions and impairment losses

A breakdown of "Amortisation, depreciation, accruals and impairment" is provided below for the financial years ended 31 December 2025 and 2024.

Amortisation, depreciation, provisions and impairment losses	2025	2024	Change	% Change
Intangible assets	32.485	36.992	(4.507)	-12%
Tangible fixed assets	47.995	41.788	6.207	15%
Total amortisation/depreciation	**80.480**	**78.780**	**1.700**	**2%**
Other impairment of non-current assets	5.142	215	4.927	NA
Write-down of receivables	12.232	8.959	3.272	37%
Total impairment and write-downs	**17.374**	**9.174**	**8.200**	**89%**
Provisions for liabilities	2.890	848	2.042	NA
Other provisions	2.394	1.760	634	36%
Total provisions	**5.284**	**2.608**	**2.676**	**NA**
Total	**103.137**	**90.562**	**12.575**	**14%**

Amortisation/depreciation and impairment of non-current assets

Amortisation/depreciation reflects the normal depreciation of non-current assets over their useful life.

Impairment of non-current assets and receivables

Other impairment of non-current assets mainly relates to Euro 5,029 thousand for the review of the value attributable to the customer list of the Group's sales company and to Euro 85 thousand for the revision of the useful life of certain assets of the Environment Business Unit.
In particular, as part of the annual tests carried out to determine the remaining useful life of the customer list of the Group's sales company arising from the 2021 PPA, the Group updated the main operating assumptions underlying the valuation of the intangible asset, with particular reference to customer attrition rates (churn rate) by customer segment.
These tests highlighted the need to update certain estimates relating to the remaining useful life of specific segments. The update was treated as a revision of accounting estimates and resulted in an adjustment to the remaining useful lives used for the amortisation of the customer list, with a consequent recalculation of amortisation for the period and recognition of the value adjustment of the remaining portion of the asset.
The overall effect of these updates was recognised in the income statement for the year under other impairment of non-current assets.
The impairment losses on trade receivables relate to the provision recognised during the year in the relevant bad debt provision so as to reflect receivables at their expected recoverable amount.

Provisions for risks and other provisions

Provisions for risks for the year, amounting to Euro 2,890 thousand, include Euro 2,000 thousand relating to a prudent estimate of amounts that may become payable to third parties as a result of regulatory interpretations, while the remaining balance mainly relates to disputes with third parties and employees. Other provisions, amounting to Euro 2,394 thousand, are mainly attributable to the Environment Business Unit and, in particular, to specific provisions for landfill completion works.

10. Financial income and expenses

Note 34 Income from equity investments

A breakdown of "Income from equity investments" is provided below for the financial years ended 31 December 2025 and 2024.

Income from equity investments	2025	2024	Change	Change %
Income from equity investments in associates	225	421	(196)	-47%
Income from equity investments in other companies	84	135	(51)	-38%
Total	**309**	**556**	**(247)**	**-44%**

The item "income from investments in associates" mainly includes dividends received, which are recognised following the shareholders' resolutions approving their distribution by the respective companies' General Meetings. The total amount of Euro 225 thousand consists of dividends approved by the investee company Legnago Servizi S.p.A.
The item "income from equity investments in other companies", amounting to Euro 84 thousand, relates to the collection of dividends distributed by the investee company P.E. Monte Vitalba S.r.l.

Note 35 Financial income

A breakdown of "Financial Income" is provided below for the financial years ended 31 December 2025 and 2024.

Financial income	2025	2024	Change	Change %
Income from related companies	633	822	(189)	-23%
Income from other companies	9	-	9	NA
Other financial income - from securities recognised as current assets that do not constitute equity investments	147	66	80	NA
Default interest income	1.351	1.025	326	32%
Interest income on bank and postal savings accounts	264	535	(271)	-51%
Other interest income	388	507	(119)	-24%
Total	**2.791**	**2.955**	**(164)**	**-6%**

The item "Finance income" mainly includes default interest charged to customers and interest income on current accounts.
Income from related companies arises from the interest portion, amounting to Euro 633 thousand, accrued on the receivable
arising from the sale of the equity investment of AMIA Verona S.p.A. to AMIAVR S.p.A., subsequently merged into AMIA Verona S.p.A.

Note 36 Financial expenses

Di seguito il dettaglio della voce “Oneri finanziari” per gli esercizi chiusi al 31 dicembre 2025 e 2024.

Financial expenses	2025	2024	Change	Change %
Expenses payable to subsidiaries	**-**	**16**	**(16)**	**-100%**
Expenses payable to parents	**6**	**-**	**6**	**NA**
Interest expenses on loans	6.098	10.339	(4.241)	-41%
Interest expenses on current account overdrafts	3.229	2.553	676	26%
Interest expenses on leases	1.223	127	1.096	NA
Interest expenses on security deposits	125	138	(13)	-10%
Interest expenses on bonds	4.174	1.277	2.898	NA
Bank expenses and charges	888	959	(71)	-7%
Other interest expenses	1.059	1.299	(240)	-18%
Expenses payable to third parties	**16.797**	**16.693**	**104**	**1%**
Total	**16.802**	**16.708**	**94**	**1%**

The line item “Financial expenses” comprises interest accrued on amounts due to banks in respect of loans, bond issues, leases and drawings under current account credit facilities.
The item “other interest expense” mainly relates to the recognition, in accordance with IAS 19, of discounts (and other tariff concessions) and employee severance indemnities (TFR), as well as to the recognition, pursuant to IFRS 16, of the effective interest expense on lease and rental contracts.

Note 37 Value adjustments to financial assets

Below is the breakdown of the item “Value adjustments to financial assets” for the financial years ended 31 December 2025 and 2024.

Adjustments to financial assets	2025	2024	Change	Change %
Revaluations of equity investments	753	562	191	34%
Total revaluations	**753**	**562**	**191**	**34%**
Total	**753**	**562**	**191**	**34%**

The amount recognised under revaluations of equity investments relates to the adjustment of the value of equity investments in associates and, in particular, Legnago Servizi S.p.A. for Euro 482 thousand, Consorzio GPO Scarl for Euro 229 thousand and Si.Ve. S.r.l. for Euro 41 thousand on the basis of the financial statements as at 31 December 2024, the latest available financial statements.
See the table attached at the end of these explanatory notes for details of the reference shareholders’ equity.

11. Taxes

Note 38 Income taxes

A breakdown of "Income taxes" is provided below for the financial years ended 31 December 2025 and 2024.

Income taxes	2025	2024	Change	Change %
Current taxes	40.613	36.558	4.055	11%
of which:				NA
- IRES	33.222	30.670	2.552	8%
- IRAP	7.373	5.748	1.625	28%
Other current taxes	18	139	(121)	-87%
Deferred tax assets and liabilities	(6.514)	(6.060)	(454)	7%
Previous years' taxes	2.010	(336)	2.346	-NA
Income from tax consolidation	(6.213)	(6.787)	574	-8%
Totale	**29.896**	**23.375**	**6.521**	**28%**

Current taxes are broken down into IRES of Euro 33,222 thousand and IRAP of Euro 7,373 thousand.
The table below shows the reconciliation between the theoretical and effective tax expense.

Consolidated tax rate reconciliation	2025	2024	Change
Aggregate pre-tax profit (loss)	**152.667**	**143.097**	**9.570**
Consolidation adjustments	(64.819)	(67.112)	2.662
Consolidated pre-tax profit (loss)	**87.848**	**75.985**	**11.864**
Theoretical tax charge +24%	21.084	18.236	2.847
Previous years' taxes	2.010	(336)	2.346
Other current taxes	18	139	(121)
Permanent differences	(588)	(413)	339
Actual tax charge (excluding IRAP)	22.523	17.626	5.412
Impact of current taxes (excluding IRAP) on pre-tax result	**25,64%**	**23,20%**	**3,03%**
IRAP	7.373	5.748	1.625
Actual tax charge including IRAP	29.896	23.375	7.036
Impact of current taxes on pre-tax result	**34,03%**	**30,76%**	**3,85%**

The balance of deferred tax assets and liabilities amounts to Euro 6,513 thousand. Deferred tax assets derive from the costs charged in the current year and in previous years that will become tax deductible in subsequent years, while deferred tax liabilities are those borne by the positive components of income that, charged in 2025 or in previous years, do not show the characteristics to contribute to the taxable income of the current year.
Income from tax consolidation, equal to Euro 6,213 thousand, relates to operating losses transferred by subsidiaries.

12. Other information

Overall profits and losses

Total profits and losses are income components directly allocated to equity. They relate to actuarial losses on defined benefit plans for employees amounting to Euro 17 thousand and to changes in hedging derivatives amounting to Euro 1,395 thousand, with both amounts stated net of the related deferred tax effect.

Information pursuant to Article 2427, point 5, of the Italian Civil Code

Statement of equity investments in subsidiaries and associates

List of companies consolidated on a line-by-line basis

Name	Head office	Control through the company	Share capital	Equity	Profit (Loss)	% stake	Book value
Magis Ambiente S.r.l.	Vicenza	Magis S.p.A.	50	8.145	735	100,00%	7.485
V-Reti Spa	Vicenza	Magis S.p.A.	90.400	352.349	20.902	99,83%	316.937
Magis Calore S.r.l.	Verona	Magis S.p.A.	3.000	40.213	1.562	100,00%	37.520
Magis Smart S.r.l.	Vicenza	Magis S.p.A.	3.000	48.683	19	100,00%	52.582
Magis Energia S.p.A.	Verona	Magis S.p.A.	5.271	104.600	43.508	96.27%	135.687
Magis Power S.r.l.	Verona	Magis S.p.A.	3.000	68.418	15.206	100,00%	61.776
Valore Ambiente S.r.l.	Vicenza	Magis S.p.A.	1.012	14.400	1.568	100,00%	13.062
ECO Tirana	Tirana	Magis S.p.A.	4.380	6.266	1.703	49,00%	1.222
COGASPIU' Energie S.r.l.	Vicenza	Magis Energia S.p.A.	200	3.929	1.463	100,00%	6.409
Global Power S.p.A.	Verona	Magis Energia S.p.A.	3.500	66	(345)	100,00%	4.500
Global Power Plus S.p.A.	Verona	Global Power S.p.A.	500	(33)	(1.301)	100,00%	3.206
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	Verona	Magis Power S.r.l.	100	11.184	10	75,00%	5.572
JUWI DEVELOPMENT 02 S.r.l.	Verona	Magis Power S.r.l.	10	27	17	100,00%	1.787
JUWI DEVELOPMENT 08 S.r.l.	Verona	Magis Power S.r.l.	10	13	3	100,00%	414
Parcoeolico Carpinaccio S.r.l.	Verona	Magis Power S.r.l.	27	10.988	864	63,00%	5.521
Parco Eolico Riparbella S.r.l.	Verona	Magis Power S.r.l.	27	18.185	1.568	63,00%	6.714
Bortoli Total Green S.r.l.	Verona	Magis Power S.r.l.	10	17	10	100,00%	142
Green Hydrogen Venezia S.r.l.*	Verona	Magis Power S.r.l.	10	6.300	6	50,00%	3.155
Carapelle 1 S.r.l.	Verona	Magis Power S.r.l.	100	7.161	301	100,00%	31.467
Delsis S.r.l.	Verona	Magis Power S.r.l.	100	4.072	(318)	100,00%	34.868
Manfredonia Wind S.r.l.	Verona	Magis Power S.r.l.	100	987	136	100,00%	4.921
Sirio S.r.l.	Verona	Magis Power S.r.l.	10	178	35	100,00%	3.632
Vega S.r.l.	Verona	Magis Power S.r.l.	10	209	50	100,00%	3.650
Smart Care 1 S.r.l.	Vicenza	Magis Smart S.r.l.	10	-	(10)	100,00%	10
Agisco S.r.l.	Vicenza	Magis Smart S.r.l.	213	982	769	51,00%	118
Serit S.r.l.	Cavaion Veronese (VR)	Magis Ambiente S.r.l.	2.050	4.398	587	99,74%	3.636
S.I.T. Società Igiene Territorio S.r.l.	Vicenza	Magis Ambiente S.r.l.	1.000	1.265	220	100,00%	1.050
BLUEOIL S.r.l.	Bolzano Vicentino (VI)	Magis Ambiente S.r.l.	10	(594)	(101)	62,45%	-
Società Intercomunale Ambiente S.r.l.	Grumolo delle Abbadesse (VI)	Valore Ambiente S.r.l.	11	1.301	215	49,00%	532

*company subject to joint control

Elenco delle imprese incluse nel consolidamento con il metodo del patrimonio netto

Name	Head office	Control through the company	Share capital	Equity	Profit (Loss)	% stake	Book value
Geotermia Triveneta S.r.l.	Verona (VR)	Magis Calore S.r.l.	100	1.065	-122	45,00%	1.750
Consorzio GPO	Genova	Magis S.p.A.	20.197	22.757	151	33,46%	10.239
		Magis Ambiente S.r.l.				4,19%	
S.I.V.E S.r.l. *	Legnago (VR)	Magis S.p.A.	150	1.757	170	24,25%	467
Legnago Servizi S.p.A.*	Legnago (VR)	S.I.T. Società Igiene Territorio S.r.l.	120	5.531	1.444	49,00%	2.484

*Financial statements as at 31 December 2024

Information pursuant to Article 2427 bis, as well as IFRS 7 and IFRS 13

Financial instrument classes and fair value hierarchies

To complete the analyses required by IFRS 7 and IFRS 13, the types of financial instruments found in the financial statements are shown, with an indication of the valuation criteria applied and, in the case of financial instruments measured at fair value, of the exposure (Income Statement or Equity).

Fair value hierarchies	Notes	Amount	Financial instruments measured at fair value		Financial instruments measured at amortised cost
			Income Statement	Equity	
STATEMENT OF FINANCIAL POSITION – ASSETS					
NON-CURRENT ASSETS					
Other non-current financial assets	5	62.235	-	-	62.235
Other non-current assets	7	8.665	-	-	8.665
CURRENT ASSETS					
Trade receivables	9	456.601	-	-	456.601
Current financial assets	10	2.069	-	1.169	900
Other current assets	12	52.816	-	-	52.816
Cash and cash equivalents	13	62.576	-	-	62.576
Assets sold	14	2.200	-	2.200	-
STATEMENT OF FINANCIAL POSITION - LIABILITIES					
Non-current financial liabilities	16	292.157	-	-	292.157
Other non-current liabilities	20	46.830	-	235	46.595
CURRENT LIABILITIES					
Current financial liabilities	21	302.041	-	-	302.041
Trade payables	22	341.782	-	-	341.782
Other current liabilities	24	113.931	-	-	113.931
Liabilities disposed	-		-	-	-

Fair Value Hierarchies

IFRS 7 and IFRS 13 require that financial instruments measured at fair value are classified on the basis of the quality of the sources of inputs used in determining the fair value. In particular, 3 levels of fair value are defined:

- Level 1: classified in this level are financial assets/liabilities whose fair value is determined on the basis of quoted (unmodified) prices on active markets, both Official and Over the Counter, of identical assets or liabilities;
- Level 2: classified in this level are financial assets/liabilities whose fair value is determined on the basis of inputs other than the quoted prices referred to in Level 1, but which are directly or indirectly observable on the market for these assets/liabilities;
- Level 3: financial assets/liabilities whose fair value is determined on the basis of non-observable market data are classified in this level. This category includes instruments measured on the basis of internal estimates, carried out using proprietary methods based on industry best practices.

For the breakdown of assets and liabilities between the different levels of fair value, see the table below "Fair value hierarchy".

	Notes	Level 1	Level 2	Level 3
Assets held for sale	-		2.200	
TOTAL ASSETS				
Other non-current liabilities	-	235		
TOTAL LIABILITIES				

Information pursuant to Article 2427, point 9, of the Italian Civil Code

Commitments, guarantees granted and contingent liabilities not shown in the Statement of Financial Position

The Group's total commitments, guarantees and contingent liabilities amounted to Euro 363,269 thousand.
The total amount includes commitments for contracts for the purchase of electricity and gas and bank sureties in favour of the Municipalities and Entities where the award of the gas distribution service was obtained and in which electricity and gas are supplied, and the collection of waste was awarded, to the Electricity Market Operator for operations on the energy market, to Terna SpA for the dispatching of electricity and to cover the obligations arising from the Agreement for the Electricity Transmission Service and to SNAM for the gas transport service.

Information pursuant to Article 2427, point 13, of the Italian Civil Code

Revenue or cost items of exceptional amount or impact

No amount to report.

Related-party transactions

All transactions with related parties (companies belonging to the Magis Group) were conducted on an arm's length basis and under normal market conditions.
These financial statements, consisting of the statement of financial position, the income statement, the notes thereto and the statement of cash flows, give a true and fair view of the financial position and results of operations for the year and correspond to the accounting records.

Information pursuant to Article 2427, point 22-quater, of the Italian Civil Code

Significant events after the reporting period

As part of the Group's rebranding project effective 1 March 2026, the Parent Company and the companies heading their respective business units changed their company names as shown in the table below:

Previous name	New name
AGSM AIM S.p.A.	Magis S.p.A.
AGSM AIM AMBIENTE S.r.l.	Magis Ambiente S.r.l.
AGSM AIM POWER S.r.l.	Magis Power S.r.l.
AGSM AIM CALORE S.r.l.	Magis Calore S.r.l.
AGSM AIM ENERGIA S.p.A.	Magis Energia S.p.A.
AGSM AIM SMART SOLUTIONS S.r.l.	Magis Smart S.r.l.

BU MERCATO

For events occurring after the end of the year, please refer to the information provided in the Report on Operations.

BU AMBIENTE

On 1 January 2026, Grumolo Ambiente S.r.l. was registered with the Register of Companies; it was established on 17 December 2025 following a partial demerger by spin-off pursuant to Article 2506.1 of the Italian Civil Code from Valore Ambiente S.r.l., and received the business unit relating to the Grumolo delle Abbadesse landfill, including the instrumental assets, the related assets and liabilities and the related operating functions. The demerger forms part of the broader process of corporate rationalisation of the Magis Group, with the aim of ensuring dedicated, more efficient and appropriately structured management of activities connected with the disposal of non-hazardous waste

BU POWER

In order to shorten the ownership chain, reduce costs and make management more efficient, with effect from 1 January 2026, Magis Power S.r.l. incorporated RF-Sirio S.r.l., RF-Vega S.r.l., Bortoli Total Green S.r.l., JUWI Development 02 S.r.l. and JUWI Development 08 S.r.l.
On 5 March 2026, the acquisition of 100% of the share capital of H-AG S.r.l. for Euro 1,818 thousand was completed; an advance payment had been made in July 2025 for this transaction.

During January 2026, Green Hydrogen Venezia S.r.l. continued construction work on the renewable hydrogen production plant intended for sustainable mobility in the Venice area; it is expected to be completed in the first half of 2026, the year in which operations will commence from the second half of the year.

Information pursuant to Article 2427, point 22-quinqiues and sexies of the Italian Civil Code

Name and registered office of the company preparing the consolidated financial statements

With reference to the information required by Article 2427, point 22-quinquies and sexies of the Italian Civil Code, it should be noted that the direct controlling entity was the Municipality of Verona with registered office in Piazza Bra 1 - Verona; the controlling entity prepared the Consolidated Financial Statements of the largest Group to which the Parent Company belongs and they are available at the registered office of the entity.

Informazioni ai sensi dell’art. 2427, punto 16 e 16-bis c.c.

Remuneration of the Directors and the Board of Statutory Auditors

	Period	Remuneration
Directors	01/01/2025-31/12/2025	1.188
Board of Statutory Auditors	01/01/2025-31/12/2025	587

Disclosures required under Article 149-duodecies of the Issuers’ Regulations

The table below, prepared in accordance with Article 149-duodecies of the Consob Issuers’ Regulation, shows the fees for the year 2025 payable to the independent auditors for audit services and other services rendered to the Magis Group by the Parent Company’s independent auditors and the Parent Company’s auditor network.

Type of service	Service provider	Fees for the year
Accounts audit	Parent Company’s independent auditors	38
Limited assurance on sustainability reporting	Parent Company’s independent auditors	45
Accounts audit	Parent Company’s auditor network	195

Independent Auditor's Report on the Consolidated Financial Statements

Magis S.p.A. (formerly AGSM AIM S.p.A.)

Independent auditor's Report
pursuant to article 14 of
Legislative Decree n. 39, dated
January 27, 2010 and article 10 of
EU Regulation n. 537/2014

Consolidated Financial
Statements as at
December 31, 2025

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

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Independent auditor's Report
pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

To the Shareholders of
Magis S.p.A. (formerly AGSM AIM S.p.A.)

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of AGSM AIM Group (the "Group"), which comprise the statement of financial position as at December 31, 2025, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended and notes to the consolidated financial statements, including material information on the accounting policies.

In our opinion the consolidated financial statements give a true and fair view of the financial position of the Company as at December 31, 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative Decree No. 38/'05.

Basis for opinion

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

We are independent of Magis S.p.A. (formerly AGSM AIM S.p.A.) (the "Parent") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

BDO Audit Services S.r.l.
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Key audit matter	Audit response
Valuation of commercial trade receivables	
Note 9 "Trade receivables"	
The Group accounted for commercial trade receivables amounted to Euro 442,718 thousand. This item is considered to be significant in the audit due to the significance of the amount and the inherent subjectivity of the process and valuation of bad debt provision, that are characterized by estimates of a number of variables, mainly represented by impairment loss indicators, expected cash flows and related collection times.	Our main audit procedures performed in response to key audit matter of valuation of trade receivables are: ▪ assessment of the design and implementation of key controls related to these procedures and processes; ▪ assessment of the appropriateness of IT environment system and IT applications in relation to evaluation process of commercial receivables; ▪ reconciliation procedures between the amounts of management systems and the one recognised in the financial statements; ▪ analytical procedures and discussion with the Group's personnel regarding the audit findings carried out; ▪ assessment of the appropriateness of bad debt provision and consistency of the methodology applied by the Group with the requirement of IFRS 9 and tested the accuracy of mathematical calculation; ▪ verification of the disclosures provided in the notes.
Valuation of assets under concession	
Note 1 "Intangible assets"	
The Group accounted for Assets under concession for Euro 340,050 thousand. The infrastructures used, recognized on the "intangible asset model" basis, have been subject to impairment test. Assets under Concession are considered to be significant in the audit process due to the pervasive nature of these balance and the inherent subjectivity judgement of management on the estimation based on IFRIC12.	Our main audit procedures performed, also with the support of evaluation models specialists belonging to the network BDO, included the following: ▪ assessment of the expertise, capacity and objectivity of the independent expert appointed by the Directors for the preparation of the impairment test; ▪ assessment of the adequacy of the impairment test model; ▪ assessment of the key underlying assumptions used as basis of the impairment test model; ▪ verification of the clerical accuracy of the impairment model; ▪ check of the sensitivity analysis of impairment when key assumptions change; ▪ verification of the disclosures provided in the notes.

Impairment test of the goodwill

Note 3 "Goodwill"

The Group accounted for goodwill for a total of Euro 52,985 thousand.

The value recorded as goodwill refers to the effect of the business combination, which was recognised in accordance with IFRS 3 "business combination".

The initial amount of Euro 52.310, net of reduction in value, is related for Euro 37,099 thousand is attributable to the business combination made on 1 January 2021 and accounted for according to the Purchase Price Allocation (PPA) process for the part not specifically attributable to the acquired assets and for Euro 15.886 thousand to previous values of goodwill acquired for consideration, while the increases, recorded during 2025 year for an amount of Euro 25,776 thousand are related to the new acquisition transactions carried out by the Group during the last months of the year.

Of these, Euro 4.114 thousand relates to the recognition of goodwill already recorded in the individual financial statements of the acquired companies, while the remaining portion, equal to Euro 21.662 thousand, relates to the recognition of the aforementioned acquisitions under the PPA process, which led to the allocation to goodwill of the deficit values not specifically attributable to the acquired assets.

An impairment test was conducted on these values, with the support of an independent expert, in order to verify that it did not exceed the recoverable value. The recoverable value of goodwill was defined with respect to value in use and was calculated for each Cash Generating Unit ("CGU") to which this goodwill is attributable. The value in use of each CGU was estimated using the Discounted Cash Flow ("DCF") method, by discounting the operating cash flows generated by the assets at a discount rate representative of the weighted average cost of capital ("WACC"). The value in use was determined using the cash flows from each CGU, as deduced from 2025-2030 business plan, which integrates forward-looking assumptions, including the expected effects arising from risks associated with climate change, carried out by Group Management. In estimating the residual value, a growth rate beyond the timescale of the plan, identified for each CGU, was considered, consistent with business development expectations. The valuation method also included a sensitivity analysis on the valuation parameters used and, in particular, the threshold levels of the impairment test value.

Our main audit procedures performed also with the support of evaluation models specialists belonging to the network BDO, included the following:

- assessment of the expertise, capacity and objectivity of the independent expert appointed by the Directors for the preparation of the impairment test;
- assessment of the adequacy of the impairment test model;
- assessment of the reasonableness of the key underlying assumptions for 2025-2030 business plan, which integrates forward-looking assumptions, including the expected effects arising from risks associated with climate change, also based on the actual results compared to the estimates;
- assessment of the key underlying assumptions for the impairment model, in particular the ones related to cash flow projections, the correct configuration of the CGUs consistent with any changes within the Group perimeter, discount rates, future growth rates;
- verification of the clerical accuracy of the impairment model;
- check of the sensitivity analysis of impairment when key assumptions change;
- verification of the disclosures provided in the notes including the expected effects arising from risks associated with climate change.

The difference between the value in use and the operating net invested capital at the reporting date was compared with the carrying values of goodwill in the Group's consolidated financial statements.

We have focused on this matter due to the significance of its amount, the complexity of its valuation process and the assessment of related impairment and the uncertainty related to the underlying business plan.

Responsibilities of the Directors and the Board of statutory auditors (Collegio sindacale) for the Consolidated Financial Statements

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

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Parent Magis S.p.A. (formerly AGSM AIM S.p.A.) or ceasing operations exist, or have no realistic alternative but to do so.

The Board of statutory auditors has the responsibility, in compliance with the applicable legislation, for the supervision of the monitoring financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also 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;
- 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 Group's internal control;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- 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 Group's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in the auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) n. 537/2014

We were initially engaged by the shareholders meeting of Magis S.p.A. (formerly AGSM AIM S.p.A.) on June 24, 2021 to perform the audits of the financial statements and group consolidated financial statements of each fiscal year starting from December 31, 2021 to December 31, 2029.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) n. 537/2014, and that we remained independent of the company in conducting the audit.

We confirm that the opinion on the consolidated statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n. 537/2014, submitted to the Board of Statutory auditors.

Report on other legal and regulatory requirements

Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/'10 and article 123-bis, paragraph 4, of Legislative Decree no. 58/'98

The directors of Magis S.p.A. (formerly AGSM AIM S.p.A.) are responsible for the preparation of the group's report on operations which includes the paragraph "Report on risk management and internal control systems - Italian Legislative Decree 58/98" in which are reported only the information concerning the principal characteristics of the existing risk management and internal control systems connected with the consolidated financial reporting process of Magis Group (formerly AGSM AIM Group) as at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the same report relating to corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/'98 with the consolidated financial statements;

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

In our opinion, the report on operations and the specific information presented in the same report relating to corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/'98 are consistent with the group's consolidated financial statements at December 31, 2025.

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

With reference to the statement pursuant to article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/'10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

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

Roma, May 5, 2026

BDO Audit Services S.r.l.

Signed by:
Alessandro Fabiano
Partner

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

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Separate Financial Statements 2025

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1. Separate statement of financial position statements

STATEMENT OF FINANCIAL POSITION – ASSETS	NOTES	2025	2024
Intangible assets	1	71.376.857	77.837.093
Tangible assets	2	96.187.384	92.211.833
Equity investments	3	635.531.381	636.306.748
Other non-current financial assets	4	243.615.490	32.660.255
Deferred tax assets	5	6.721.088	7.331.700
Other non-current assets	6	893.134	984.555
Total non-current assets		**1.054.325.334**	**847.332.185**
Inventories	7	85.617	548.206
Trade receivables	8	18.287.334	26.520.103
Current financial assets	9	93.465.761	170.197.665
Current tax assets	10	2.349.696	1.433.550
Other current assets	11	21.948.037	40.619.258
Cash and cash equivalents	12	38.973.145	10.666.160
Total current assets		**175.109.589**	**249.984.941**
TOTAL ASSETS		**1.229.434.923**	**1.097.317.126**
EQUITY	**13**		
Share capital		95.588.235	95.588.235
Legal reserve		19.117.647	18.574.469
Other reserves		446.989.969	446.346.212
Profit (loss) for the year		30.011.908	30.257.384
Total Equity		**591.707.760**	**590.766.300**
Total Equity		**591.707.760**	**590.766.300**
Non-current financial liabilities	14	254.641.954	163.831.519
Employee benefits	15	5.767.118	5.801.100
Provision for risks and charges	16	6.629.219	8.505.143
Deferred tax liabilities	17	3.418.448	3.633.769
Other non-current liabilities	28	9.657.649	9.575.076
Total non-current liabilities		**280.114.389**	**191.346.609**
Current financial liabilities	19	325.394.237	250.955.991
Trade payables	20	17.694.335	26.871.546
Current tax liabilities	21	2.622.705	9.764.203
Other current liabilities	22	11.901.497	27.612.477
Total current liabilities		**357.612.774**	**315.204.218**
TOTAL LIABILITIES AND EQUITIES		**1.229.434.923**	**1.097.317.126**

2. Separate income statement statements

INCOME STATEMENT	NOTES	2025	2024
Revenue		**72.770.090**	**61.554.882**
Revenue from sales and services	23	68.761.420	58.982.736
Other revenue	24	4.008.670	2.572.146
Operating costs		**59.431.429**	**50.688.013**
Costs for raw materials and consumables	25	3.286.978	2.644.452
Costs for services	26	49.651.348	42.918.707
Costs for the use of third-party assets	27	2.404.198	2.307.686
Other operating costs	28	4.088.905	2.817.168
Added value		**13.338.661**	**10.866.868**
Personnel costs	29	20.741.397	20.462.078
EBITDA		**(7.402.736)**	**(9.595.210)**
Amortisation, depreciation, and provisions	**30**	**13.560.019**	**12.892.005**
Amortisation and depreciation		13.178.019	12.182.140
Other provisions		382.000	709.865
Net operating income		**(20.962.755)**	**(22.487.215)**
Financial position		**45.524.151**	**46.162.942**
Income from equity investments	31	51.620.371	53.458.003
Financial income	32	8.963.292	8.941.300
Financial expenses	33	(15.263.220)	(16.236.362)
Adjustments to financial assets	34	203.708	-
Pre-tax profit (loss)		**24.561.395**	**23.675.728**
Income taxes	35	(5.450.513)	(6.581.656)
Profit (loss) from operations		**30.011.908**	**30.257.384**
Profit (loss) for the year		**30.011.908**	**30.257.384**

Other comprehensive income that will not be subsequently reclassified to profit or loss	2025	2024
Actuarial gains/(losses) for employee benefits	(262.300)	1.000.071
Tax effect on actuarial gains (losses) for employee benefits	62.952	-
Total actuarial gains (losses) net of the tax effect (B)	**(199.348)**	**1.000.071**
Change in the fair value of cash flow hedging derivatives	120.857	(355.462)
Tax effect on change in the fair value of cash flow hedging derivatives	(29.006)	85.311
Total actuarial gains (losses) net of the tax effect (C)	**91.852**	**(270.151)**
Total comprehensive profits (losses) net of tax effect (B) + (C)	**(107.497)**	**729.920**
Total comprehensive income (A) + (B) + (C)	**29.904.412**	**30.987.304**

3. Separate statement of cash flows

STATEMENT OF CASH FLOWS (figures in Euro)	2025	2024
A. CASH FLOWS FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
Profit (loss) for the year	30.011.907	30.257.384
Income taxes	(5.450.513)	(6.581.657)
Interest expense	15.263.220	16.236.362
Interest income	(8.963.292)	(8.938.143)
(Dividends)	(51.620.371)	(53.461.161)
Losses deriving from the sale of assets	167.819	252.723
(Gains) deriving from the sale of assets	(599.264)	(166.195)
PROFIT/(LOSS) FOR THE YEAR BEFORE INCOME TAXES, INTEREST, DIVIDENDS AND GAINS/LOSSES ON SALES	**(21.190.493)**	**(22.400.687)**
Adjustments for non-cash items with no impact on working capital		
Accruals and provisions	1.422.301	1.788.940
Amortisation and depreciation	13.178.019	12.182.141
Valuation of equity investments	(203.707)	-
Cash flow before changes in working capital	**(6.793.881)**	**(8.429.606)**
Changes in net working capital		
Decrease/(increase) in inventories	462.589	54.878
Decrease/(increase) in trade receivables	8.232.769	12.893.419
Increase/(decrease) in trade payables	(9.104.488)	6.849.403
Decrease/(increase) in accrued income and prepaid expenses	462.929	924.059
Increase/(decrease) in accrued expenses and deferred income	637.872	(1.619.000)
Other changes in net working capital	9.763.722	(6.206.369)
CASH FLOWS AFTER CHANGES IN NWC	**3.661.513**	**4.466.784**
Other adjustments		
Interest received	8.963.292	8.938.143
(Interest paid)	(15.263.220)	(16.236.362)
(Income tax paid)	(8.956)	(10.730.347)
Dividends received	51.620.371	53.461.161
(Use of provisions)	(2.480.319)	(952.140)
CASH FLOWS FROM OPERATING ACTIVITIES (A)	**46.492.681**	**38.947.239**
B. CASH FLOW FROM INVESTMENT ACTIVITY:		
Intangible assets		
(Investments)	(2.543.564)	(4.298.637)
Disinvestments	321.749	-
Tangible fixed assets		
(Investments)	(11.020.863)	(12.318.697)
Disinvestments	2.415.822	166.213
Financial fixed assets		
(Investments)	(270.000.000)	(1.519.329)
Disinvestments	54.028.385	-
Non-current financial assets		
Disinvestments	-	7.009.267

CASH FLOW FROM INVESTMENT ACTIVITY (B)	**(226.798.471)**	**(10.961.183)**
C. CASH FLOWS FROM FINANCING ACTIVITY:		
Third party financing		
Increase (decrease) in short-term payables to banks	119.159.233	(7.274.649)
Raising of bonds	49.459.542	45.086.111
Raising of loans	131.906.919	28.000.000
Repayment of loans	(139.964.520)	(65.000.731)
Change in centralised treasury management	83.063.206	5.079.583
Own funds		
Dividends (and interim dividends) paid	(35.011.605)	(33.000.000)
CASH FLOW FROM FINANCING ACTIVITY (C)	**208.612.775**	**(27.109.686)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A± B ± C)	**28.306.985**	**876.370**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	10.666.160	9.789.789
of which:		
bank and postal accounts	10.635.110	9.747.307
cash-in-hand and cash equivalents	31.050	42.482
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	38.973.145	10.666.160
bank and postal accounts	38.939.860	10.635.110
cash-in-hand and cash equivalents	33.285	31.050

4. Statement of changes in separate equity

Equity	Share capital	Share premium/contribution reserve	Revaluation surplus	Legal reserve	Extraordinary reserve	Capital grants reserve	Transformation reserves as per Law 127/97	IFRS FTA Reserve	Other reserves	Cash flow hedge reserve	Retained earnings (losses)	Profit (loss) for the year	Total Equity
Opening Balance	95.588	384.339	201	18.575	3.875	3.194	34.836	(5.892)	11.312	(270)	14.750	30.257	590.766
Allocation of the result	-	-	-	543	-	-	-	-	-	-	29.714	(30.257)	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(28.900)	-	(28.900)
Other comprehensive income	-	-	-	-	-	-	-	-	(262)	92	-	-	(170)
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	30.012	30.012
Closing Balance	**95.588**	**384.339**	**201**	**19.118**	**3.875**	**3.194**	**34.836**	**(5.892)**	**11.050**	**(178)**	**15.565**	**30.012**	**591.708**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Accounting standards and basis of preparation

General information about the company

Magis S.p.A. was established on 1 January 2021 (then named AGSM AIM S.p.A.) following the merger by incorporation of AIM Vicenza S.p.A. into AGSM Verona S.p.A., two historic municipal multi-utilities. Magis S.p.A. is the head of a Group with fully public capital, 61.2% of which is owned by the Municipality of Verona and 38.8% by the Municipality of Vicenza.
The Group aims to play a leading role in the energy and environment sector, as an aggregating hub, starting in the North-East and reaching the whole of Italy. The integration made it possible to optimise the organisational structure thanks to the establishment of six Business Units: Energy, Power, Heat, Smart, Environment and V-Reti. Through these, essential services are provided to citizens and products with high added value for the development of companies, entities and institutions. The activity extends to the sectors of electricity, gas, district heating, energy efficiency, public lighting, telecommunications services, electric mobility and environmental health.
Specifically, Magis S.p.A., the parent holding company of the Group, oversees the strategic guidance and coordination of the Group's operations and provides subsidiaries with corporate services including facility management, administrative, legal and financial services, planning and control, procurement, engineering, human resources, vehicle fleet management, IT systems, and quality, safety and environmental services, in order to optimise Group resources and make effective use of internal expertise. It also operates in gas distribution and metering in the municipality of Treviso, in biogas production from waste treatment, in the construction of renewable electricity generation plants (in particular wind and photovoltaic) and in the management of environmental health in the Municipality of Vicenza.

Rebranding

As part of the Group's rebranding project effective 1 March 2026, the Parent Company and the companies listed below, which head up their respective Business Units, changed their company names and, in this document, the new name is used for those companies and for the other companies of the Magis Group.

Previous name	New name
AGSM AIM S.p.A.	Magis S.p.A.
AGSM AIM AMBIENTE S.r.l.	Magis Ambiente S.r.l.
AGSM AIM POWER S.r.l.	Magis Power S.r.l.
AGSM AIM CALORE S.r.l.	Magis Calore S.r.l.
AGSM AIM ENERGIA S.p.A.	Magis Energia S.p.A.
AGSM AIM SMART SOLUTIONS S.r.l.	Magis Smart S.r.l.

Basis of preparation

The financial statements of the Parent Company, Magis S.p.A., at 31 December 2025 consist of the statement of financial position, the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders' equity and the accompanying notes.
These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005. The IFRS also include all the revised international accounting standards ("IAS"/"IFRS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC").
For the purposes of the statement of financial position, assets and liabilities are classified according to the current/non-current criterion, with separate presentation of discontinued operations and assets and liabilities

held for disposal. Current assets, which include cash and cash equivalents, are those intended to be realised, disposed of or used in the Company's normal operating cycle or in the twelve months following the end of the financial year; current liabilities are those that are expected to be settled in the company's normal operating cycle or in the twelve months after the end of the reporting period. The comprehensive income statement is classified according to the nature of the costs. The statement of cash flows is presented using the indirect method. The liquidity configuration analysed in the statement of cash flows includes cash on hand and current bank accounts.
The amounts presented in the financial statements are shown in Euro, whilst in the notes they are shown in thousands of Euros, unless otherwise stated.

Going concern

The political developments experienced in Europe and the Middle East in the recent period, together with the resulting volatility in energy market prices, have required continuous and systematic monitoring of business performance, with particular attention paid to analysing variances against forecasts.
The management analysed the management and financial indicators that did not reveal any risks linked to the ability of the Magis S.p.A. to operate on a going concern basis.
In consideration of the results for the year, which also include the impacts connected with the geopolitical situation, the management analysed the forecasts made with regard to possible future scenarios, including the impacts from climate change as far as they can be foreseen, excluding any impairment in the various cash generating units (CGUs) in which it is organised, also in view of the existing considerable margins.
During the year, the Company prepared the 2025-2030 Business Plan to address global challenges mainly related to the energy transition, digital innovation, climate change and geopolitical tensions.
In particular, the potential impacts arising from physical climate change risks (both chronic and acute), together with trends relating to the energy transition, have been taken into consideration by Company management in order to properly assess the effects on the current and expected results of the Company and the Group – for example, in the development of the scenarios used for the preparation of the current Business Plan 2025–2030, approved in October 2025.
Based on the performance of activities, the joint analysis of the 2025 Budget, the economic projections for 2026 and the ability to access credit, the management believes that it is in a position to proceed with managing and developing activities without questioning its ability to operate as a going concern.
Consequently, these separate financial statements of the Parent Company have been prepared on a going concern basis as it is reasonable to expect that the company will continue to operate in the near future and, in any case, for at least twelve months, as set out in IAS 1.25-26.

Financial Statements

These financial statements have been prepared on a historical cost basis, except for some financial instruments that are measured at fair value. Information about the financial statement formats applied, compared to those set out in IAS 1, and the method used to present cash flows in the statement of cash flows, compared to the provisions of IAS 7, is provided below.

- In the comprehensive income statement, costs are classified by nature based on a "graduated" classification. It is believed that this type of presentation, which is also used by the Group's principal competitors and is consistent with international practice, best represents the results of the business.
- The statement of comprehensive income comprises the profit or loss for the year and the income and expense, grouped by consistent categories, which, based on the IFRS, are allocated directly to equity.
- In the statement of financial position, current assets and current liabilities are presented separately from non-current assets and liabilities, respectively, in accordance with IAS 1.

- The columns of the statement of changes in equity reconcile the opening and closing balances of each equity caption.
- The statement of cash flows classifies cash flows by operating, investing and financing activities. Specifically, cash flows from operating activities are presented using the indirect method in accordance with IAS 7, whereby the profit or loss for the year is adjusted to reflect the effects of non-monetary transactions, prepayments and accrued income and accrued expenses or deferred income and revenue or cost items related to future cash flows from investing or financing activities.

Accounting standards

Introduction

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments and financial assets held for sale, which are recognised at fair value.
There are no held-to-maturity investments. Financial transactions are recognised at the trade date.
The accounting standards used to prepare the financial statements at 31 December 2025 have also been uniformly applied to all corresponding periods.
Figures in the financial statements are in Euros, whereas in the Notes all amounts have been rounded to the nearest thousand of Euros, unless otherwise stated.

Property, plant and equipment

Property, plant and equipment are recognised at purchase or production cost, including direct charges necessary to bring the asset to use. The cost can comprise the finance costs directly attributable to the acquisition, construction or production of the asset. The cost can also include the expected costs of dismantling and removing the asset and restoring it to its original condition if a contractual obligation exists.
The costs incurred for extraordinary maintenance and repairs are recognised directly when incurred. The costs to expand, renovate or improve the structural elements owned or used by third parties are capitalised solely to the extent that they meet the conditions for being classified separately as an asset or as part of an asset under the component approach.
Property, plant and equipment and assets under construction are recognised at their purchase and/or production cost, including directly attributable charges, while reducing the cost by the commercial and cash discounts of a significant amount.
For plants constructed internally, the cost of the materials used, the cost of labour for the personnel used, the related social security costs, the accruals to employee severance indemnities and the portion of internal services that can be reasonably attributed to them have been accounted for.
The depreciation charged to the income statement have been calculated according to the use, purpose, and useful life of the assets over their residual useful life.
Assets under construction comprise the direct costs incurred until 31 December in the year under examination. Depreciation begins on the date that each asset becomes operative.
The expenses that increase the value of the assets, and the maintenance that results in a significant and tangible increase in production capacity or that lengthens the useful life of the assets are capitalised and generally increase the carrying amount of the related asset and are depreciated over the asset's residual useful life. Ordinary maintenance costs are expensed directly in the comprehensive income statement.
Regardless of the depreciation that has already been recognised, if an item of property, plant and equipment is impaired, its carrying amount is reduced accordingly. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Leases

Right-of-use assets are recognised on the start date of the lease, i.e. the date on which the underlying asset is available for use.
Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, and adjusted for any restatement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made on or before the commencement of the lease. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.
Lease liabilities are recognised at the present value of lease payments not yet paid at the reporting date. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the option will be exercised.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance that can be controlled and from which future economic benefits are expected. They are initially recognised at purchase and/or development cost, including direct expenses necessary to bring the asset to use. Interest expense, if any, accrued during and for the development of intangible assets, are considered part of the acquisition cost. In particular, the following intangible assets can be identified within the Company: intangible assets with a finite useful life that are amortised over their useful life and are subject to an impairment test whenever there are indications of a possible impairment; intangible assets with an indefinite useful life that are not amortised but are subject to an annual impairment test.

a) Rights on assets under concession (IFRIC 12)

Under IFRIC 12, the infrastructure used in a public-to-private service concession arrangement will not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator must either recognise a financial asset to the extent that it has an unconditional contractual right to receive cash (or another financial asset from or at the direction of the grantor for the construction services) or recognise an intangible asset to the extent that it receives a right ('licence') to charge users of the public service. Based on the Company's service concession agreements, the infrastructure used is recognised using the intangible asset model. The "Rights on assets under concession" represent the Company's right to use the assets under concession (the so-called intangible asset model), considering the fees and the costs of implementation, with the obligation to return the asset at the end of the concession.

b) Software and other intangible assets

Software and other intangible assets are recognised at cost, as described earlier, net of accumulated amortisation and impairment losses, if any. Amortisation begins when the asset is available for use and it is charged systematically over the residual period of benefit, that is, over the estimated useful life.

c) Reduction in value of property, plant and equipment and intangible assets (impairment)

At each reporting date, the Company checks whether there are any indications of impairment of intangible assets and property, plant and equipment. Both internal and external sources of information are used for this purpose. Internal sources include obsolescence or physical damage, significant changes in the use of the asset and the economic performance of the asset compared to estimated performance. External sources include the market value of the asset, changes in technology, markets or laws, trend in market interest rates and the cost of capital used to evaluate investments.
When indicators of impairment exist, the carrying amount of the assets is reduced to the recoverable amount and any impairment loss is recognised in profit or loss. The recoverable amount of an asset is the higher of fair value less costs to sell and its value in use, the latter being the present value of future cash flows estimated for the asset in question. In calculating the value in use, the expected future cash flows

are discounted using a pre-tax discount rate that reflects current market valuations of the time value of money, proportionate to the investment period, and the risks specific to the asset. For assets that do not generate largely independent cash flows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the carrying amount of the cash-generating unit exceeds the recoverable amount, an impairment loss is recognised in profit or loss. The impairment loss is initially recognised as a deduction of the carrying amount of goodwill allocated to the cash-generating unit and then only applied to the other assets of the cash-generating unit in proportion to their carrying amount, up to the recoverable amount of the assets with a finite useful life. If the reasons that gave rise to an impairment loss no longer exist, the carrying amount of the asset is recognised again in profit or loss, up to the carrying amount that would have been recognised had no impairment loss been recognised and if normal amortisation/depreciation had been applied.

Equity investments

Equity investments in subsidiaries and other companies are valued using the cost method. Equity investments in associates and joint ventures are recognised using the equity method. In the event of impairment, the value of the investments is written down. The effect of this write-down is recognised in the comprehensive income statement.

Trade receivables and other current and non-current assets

Trade receivables and other financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade receivables and other financial assets are included in current assets, except for those with a contractual due date beyond twelve months after the reporting date, which are classified as non-current assets.

Impairment losses on receivables are recognised when there is objective evidence that the Company will no longer be able to recover the receivables due from the counterparty based on the contract terms.

Objective evidence includes events such as:

- significant financial difficulties of the counterparty;
- legal disputes with the counterparty over the receivables;
- probability that the counterparty will declare insolvency or other financial restructuring procedure.

The impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows and is recognised in profit or loss. If, in subsequent years, the reasons for the impairment cease to exist, the carrying amount of the asset is reinstated up to the amount that would have been recognised had the amortised cost been applied.

The valuation of financial assets is carried out based on the credit loss valuation model in application of the simplified model of expected losses envisaged by IFRS 9. The amount to be set aside was determined using information that could be supported and was available at the end of the reporting period.

Financial assets, relating to non-derivative financial instruments, with fixed or determinable payments and fixed maturity dates, which the Company intends and has the ability to hold until maturity, are classified as "held-to-maturity investments". Such assets are measured at amortised cost using the effective interest method, adjusted by impairment losses, if any. Whenever there are impairment losses, the same policies as described above for loans and receivables are applied.

Available-for-sale financial assets, including investments in other companies representing available-for-sale assets, are measured at fair value, if determinable. Changes in fair value are recognised directly in an equity reserve in other comprehensive income until they are disposed of or impaired, at which time they are reversed to profit or loss. Other unlisted investments classified as "available-for-sale financial assets" whose fair value cannot be measured reliably are measured at cost adjusted by any impairment losses, which are recognised in consolidated profit or loss, as required by the new standard IFRS 9.

Non-current assets held for sale, disposal groups and discontinued operations – IFRS 5

Non-current assets held for sale (disposal group) and discontinued operations whose book value will be recovered mainly through sale rather than through continuous use, are valued at the lower between their carrying amount and their fair value less costs to sell: any difference between the carrying amount and the fair value less any costs to sell is recognised in the Income Statement.
In accordance with the IFRS, the data relating to non-current assets held for sale and discontinued operations are presented in two specific items in the Statement of Financial Position: assets held for sale and liabilities directly associated with assets held for sale.
With exclusive reference to discontinued operations, the net economic results achieved by them during the sale process (including any capital gains/losses deriving from the sale itself) and the corresponding comparative data of the previous year are presented in a specific item in the Income Statement: net result from discontinued activities or those destined to be sold.

Inventories

Raw materials, supplies and finished products are recognised at the lower of their purchase or manufacturing cost and their realisable value based on market trends, by applying the weighted average cost method.
The resulting amount is subsequently adjusted through the specific "provision for inventory obsolescence", to account for the goods whose realisable value is expected to be less than their cost.
Contract work in progress whose duration falls within the year is measured according to the costs incurred as documented in the progress reports.
Long-term contract work in progress is recognised based on the consideration paid.

Cash and cash equivalents

Cash and cash equivalents include the cash on hand and positive balances on current bank accounts not subject to restrictions or constraints. These items are shown at their face value.

Accruals and Deferrals

Accruals and prepayments are determined according to the accrual principle and by applying the matching principle between costs and revenues. The conditions that led to the original recognition of long-term items have been checked, while making any changes, as necessary.

Financial liabilities, trade payables and other liabilities

Financial liabilities (other than derivative financial instruments), trade payables and other liabilities are initially recognised at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost applying the effective interest rate method. If there is a change in the expected cash flows, which can be reliably determined, the liabilities are recalculated to reflect this change. Financial liabilities are classified as current liabilities, unless the Company has the unconditional right to defer payment for at least twelve months after the reporting date.
Financial liabilities are derecognised at the time of their settlement and when the Company has transferred all the risks and charges relating to the instrument.

Derivatives

Financial derivatives are assets and liabilities recognised at fair value. The Company uses financial derivatives to hedge interest rate risks.
In accordance with the new IFRS 9, financial derivatives qualify as hedging derivatives only if:

- at the time that the hedge is established there is a formal designation and the hedging relationship is documented;
- the hedge is deemed highly effective;
- the effectiveness can be reliably measured;
- the hedge is highly effective during the different accounting periods for which it is designated.

When derivatives qualify for hedge accounting, the following accounting treatments are applied:

- if the derivatives hedge the risk of fluctuations in the fair value of the hedged assets or liabilities (fair value hedge; e.g., hedging fluctuations in the fair value of fixed-rate assets/liabilities), they are measured at fair value through profit or loss; accordingly, the hedged assets and liabilities are adjusted to reflect changes in fair value associated with the hedge risk;
- if the derivatives hedge the risk of fluctuations in the cash flows of the hedged assets or liabilities (cash flow hedge; e.g., hedging fluctuations in the cash flows of assets/liabilities caused by fluctuations in interest rates), changes in the fair value of derivatives are initially recognised in equity and subsequently transferred to profit or loss based on the income effects of the hedged transactions.

If hedge accounting cannot be applied, the gains or losses resulting from the measurement at fair value of the derivatives are immediately recognised in profit or loss.

Employee benefits

Short-term benefits are represented by wages and salaries, social security, indemnities in lieu of holidays and incentives in the form of bonuses payable in the twelve months after the reporting date. Such benefits are recognised under personnel costs in the period in which their services are rendered.
Post-employment benefits are divided into two categories: defined contribution plans and defined benefit plans.
In defined contribution plans, contribution costs are charged to profit or loss when incurred, based on their nominal amount.
In defined benefit plans, which include employee severance indemnities governed by article 2120 of the Italian Civil Code ("TFR"), the amount of the benefit to be paid is quantifiable only after termination of employment, and associated with one or more factors such as age, the years of service and remuneration. The liability recognised for defined benefit plans is the present value of the obligation at the reporting date. The related cost is recognised in the comprehensive income statement based on actuarial calculations. The defined benefit plan obligations are determined annually by an independent actuary using the projected unit credit method. The present value of defined benefit plans is determined by discounting future cash flows at an interest rate equal to high-quality corporate bonds issued in Euro which take into account the period of the related pension plan. With reference to the Company, this category includes the employee severance indemnities accrued as at 31 December 2006 (or at the date selected by the employee when the option to make contributions to supplementary pension funds is chosen), and the rate discounts given to former employees.
Starting from 1 January 2007, Finance Law 2007 and the related implementing decrees introduced amendments concerning the TFR. The amendments include the decision of employees as to the destination of their accruing TFR. In particular, new flows of TFR can be allocated by the employee either to selected pension funds or maintained in the company. In the case of selected pension funds, the defined contribution will be paid to the fund and, starting from such date, the new amounts accrued become defined contribution plans not subject to actuarial measurement.
Defined benefit plans also include the rate discounts that the Company provides to former employees. These discounts also entail assessments which adequately consider when the related services will be provided and, accordingly, the need to calculate them using average present values.
Changes in actuarial gains and losses are recognised in OCI in accordance with IAS 19 Revised.

Provisions for risks and charges

Provisions for risks and charges are set up to cover losses or liabilities whose existence is certain or probable but that at the end of the reporting period are uncertain as to amount or as to the date on which they will arise. Provisions are recognised only when there is a current obligation (legal or constructive) for a future outflow of resources deriving from a past event and it is probable that the outflow will be necessary to fulfil the obligation. This amount represents the best estimate of the present value of expenditures required to settle the obligation. If the effect of the time value is material, and the payment date of the obligations can be reasonably estimated, the provisions to be accrued are equal to the present value of the expected outflow, using a rate that reflects market conditions, the change in the time value of money and the risks specific to the obligation. The increase in the provision due to changes in the time value of money is recognised as interest expense.

Among the provisions for liabilities recognised against an item of intangible assets, the value of the provision for environmental restoration relating to the post-closure management of the landfill is recognised, in accordance with OIC 16 and OIC 31.

Revenue recognition

Revenues and income are recognised net of returns, discounts and rebates, as well as taxes directly related to the sale of products and the provision of services. They are split between revenues from operating activities and financial income accruing between the date of sale and the date of payment.
In particular:

- revenues for distribution are recognised on the basis of the tariffs recognised by the Authority and are subject to equalisation at the end of the financial year to reflect, on an accrual basis, the remuneration recognised by the Authority for the investments made;
- revenues are recognised when (or gradually as) the relevant obligation is fulfilled, by transferring the promised goods or services to the customer. The transfer occurs when (or gradually as) the customer acquires control of the goods or services. The recognised revenue corresponds to the price attributed to the relevant obligation that is measured. Revenues are only recognised if it is considered probable that the relevant amount will be received for the goods or services transferred to the customer.

Cost of goods purchased and services performed

Purchases of goods and the performance of services are recognised in profit or loss on an accrual basis.

Income taxes

Current taxes are calculated based on the taxable income for the year, applying the current tax rates at the reporting date.
Deferred taxes are calculated for all differences emerging between the tax base of an asset or liability and the respective carrying amount. Deferred tax assets, not offset by deferred tax liabilities, are recognised to the extent that it is likely that future taxable income will be available against which they may be recovered. Deferred tax liabilities are determined using the tax rates that are expected to apply in the periods in which the differences will be realised or extinguished, based on the tax rates in force or substantially in force at the reporting date.
Current and deferred taxes are recognised in the income statement, except for those related to items taken directly to equity, in which case the related tax impact is also recognised directly in equity. Taxes are offset when they are levied by the same tax authority and there is a legal right to offset.

New accounting standards

The accounting standards applied in the preparation of the statutory financial statements are in line with those used for the previous year's financial statements, with the exception of new standards, amendments and interpretations effective as of 1 January 2025.

Standards, interpretations, amendments and improvements required for the 2025 financial statements

<u>IAS 21 – The Effects of Changes in Foreign Exchange Rates</u>

The amendment is intended to regulate the procedures to be followed where currencies lack convertibility; in particular, by introducing specific requirements to determine when a currency is, or is not, considered convertible into another currency and requiring an estimate of the spot exchange rate when it is determined that the currency is not convertible. This amendment did not have any impact on the Company's financial statements.

New standards and amendments issued by the IASB that are not mandatory for the preparation of the 2025 IFRS financial statements

The following amendments are effective for the annual period beginning on 1 January 2026:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Settlement of electricity purchase and sale contracts dependent on nature – "power purchase agreements" (Amendments to IFRS 9 and IFRS 7)
- Annual improvements Vol. 11: improvements and rationalisation of the standards in force (Amendments to IAS 7 and IFRS 1, 7, 9 and 10)

The following amendments are effective for the annual period beginning on 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Company is currently considering the effect of these new accounting standards and amendments.

Pillar Two disclosure

With regard to the introduction of the tax framework relating to the so-called "Pillar Two", the following information is provided concerning the MAGIS Group (the "Group"). As known, in 2021 over 135 jurisdictions participating in the Inclusive Framework on Base Erosion and Profit Shifting ("Inclusive Framework") agreed on an international tax reform introducing a Global Minimum Tax ("GMT") applicable to large multinational groups. In particular, these countries reached a political agreement on a model of international taxation based on two pillars, aimed at addressing certain tax issues arising from the digitisation of the economy. The second of these pillars ("Pillar Two") introduces the above-mentioned Global Minimum Tax. Within the European Union, on 12 December 2022, the Council subsequently adopted a directive (Directive (EU) 2022/2523) introducing this Global Minimum Tax into the EU legal framework. The directive established a minimum effective tax rate of 15% for domestic and multinational groups with consolidated revenue in excess of Euro 750 million per year, applicable for annual periods beginning after 31 December 2023. To date, several third countries (outside the European Union) have also implemented similar legislation based on the work of the Inclusive Framework.
The Italian legislature transposed Directive (EU) 2022/2523 through Legislative Decree 209/2023, introducing three related mechanisms: (i) the Income Inclusion Rule ("IIR"), payable by parent entities located in Italy in relation to foreign group companies subject to low taxation; (ii) the Undertaxed Profits Rule ("UTPR"), payable by one or more members of a multinational group located in Italy, in relation to the profits of group companies not controlled by them and subject to low taxation, where a sufficient IIR has not been applied in the countries of the parent entities; and (iii) the Qualified Domestic Minimum Top-Up Tax ("QDMTT"), payable in relation to low-taxed group companies located in Italy.
In order to address, from a financial statement disclosure standpoint, the substantial changes resulting from the introduction of the Global Minimum Tax by a significant number of jurisdictions, the IASB subsequently issued an update to IAS 12. The changes introduce a mandatory temporary exception whereby no deferred tax may be recognised that would arise from the implementation of Pillar Two in the relevant countries. This exception, which the Group has also applied to this disclosure, is immediately applicable and has retrospective effect.
The above-mentioned amendment also requires disclosure of any potential impacts on the financial position and financial performance. Given these complex new requirements, the Group (which falls within the scope of the GMT) is currently working to implement the necessary internal procedures to manage compliance with the Pillar Two regime as effectively and efficiently as possible, for both the Italian and foreign operations.
In this context, thorough analyses have been carried out to estimate whether the requirements are met, in the jurisdictions where the Group operates, for applying the Safe Harbour transitional simplified regimes (as governed in Italy by the Ministerial Decree of 20 May 2024), which – if met – would exempt the Group from the more complex regime and reduce any potential top-up tax to zero.
A preliminary assessment was conducted on the data relating to the 2025 tax period, following which it is considered that no GMT will be due.

Non-recurring significant transactions

Magis S.p.A. is the holding company of the Magis Group. Effective during the year 2025, the following corporate reorganisation and simplification operations took place:

- On 11 February 2025, Smart Care 1 S.r.l. was established; Magis Smart S.r.l. holds 100% of the equity interests in it, and its purpose is to carry out energy upgrading activities and the enhancement, management and routine and extraordinary maintenance of the property assets of the Istituto Assistenza Anziani di Verona;
- On 23 October 2025 Magis Power S.r.l. acquired 100% of the equity interests in RF-Sirio S.r.l. and RF-Vega S.r.l., which operate in the renewable energy generation sector from photovoltaic plants;
- On 26 November 2025, Magis Power S.r.l. acquired 100% of the equity interests in Delsis S.r.l., Manfredonia S.r.l. and Carapelle-1 S.r.l., which also operate in the renewable energy generation sector, and in particular in wind power;
- On 27 November 2025, Magis Energia S.p.A. acquired the remaining interests equal to 40% of the share capital of its subsidiary Cogaspiù Energie S.r.l.;
- On 6 November 2025, Magis Energia S.p.A. completed the acquisition of Global Power S.p.A. and its subsidiary Global Power Plus S.r.l., which operate in the sale of electricity and gas.

The restructuring of the Environment BU also continued, which included the following transactions:

- With effect from **1 January 2025**, Transeco S.r.l. and D.R.V. S.r.l. were merged by incorporation into Magis Ambiente S.r.l.; Magis Ambiente S.r.l. already held the entire share capital of these companies, which operate in the collection, treatment and disposal of non-hazardous waste sector.

In addition:

- On 17 December 2025, with effect from 1 January 2026, Valore Ambiente S.r.l. carried out the demerger of a business unit into the newly established Grumolo Ambiente S.r.l., to which post-operational management and biogas exploitation at the Grumolo delle Abbadesse (VI) site were assigned;
- On 17 December 2025, with effect from 1 January 2026, Magis Power S.r.l. resolved to incorporate RF-Sirio S.r.l., RF-Vega S.r.l., Bortoli Total Green S.r.l., JUWI Development 02 S.r.l. and JUWI Development 08 S.r.l

The transactions described above are intended to complete the Group's reorganisation process, already initiated in previous years, to develop synergies and integration to improve positioning in the Group's businesses, to implement the energy transition process through the acquisition of plants from 100% renewable sources – as outlined in the 2025-2030 Business Plan – and to expand the customer base.

2. Non-current assets

Note 1 Intangible assets

A breakdown of the item "Intangible assets" as at 31 December 2025, is provided below with the relevant changes.

Net value	Industrial patents and intellectual property rights	Concessions, licences, trade-marks, and similar rights	Intangible assets under development	Other	Total
Opening Balance	5.573	71.708	369	186	77.837
Investments	1.364	440	740	-	2.544
Disposals and Sales	-	(489)	-	-	(489)
Reclassifications	80	87	(131)	-	36
Amortisation and depreciation	(1.717)	(6.800)	-	(33)	(8.550)
Closing Balance	**5.300**	**64.945**	**978**	**153**	**71.377**

Within intangible assets, the most significant amounts related to concessions. Assets under concession refer to tangible fixed assets and intangible assets serving the concessions that meet the requirements to be recognised in accordance with IFRIC 12. They are related for Euro 28,367 thousand to the integrated water service concession of the city of Verona, for Euro 7,701 thousand to property, plant and equipment serving the concessions of the integrated water service of the city of Vicenza, and for Euro 28,868 thousand to property, plant and equipment serving the concessions related to gas distribution in the Municipality of Treviso.
Concession assets are primarily amortised using the straight-line method.
Rights to use intellectual works refer to software-related costs, while the increase recognised during the financial year is primarily due to expenditure for the implementation of the new SAP4H ERP system. Amortisation is estimated over a period of 5 years on a straight-line basis.

Note 2 Tangible assets

The breakdown of tangible fixed assets at 31 December 2025 and the changes occurred during the year, with regard to the historical cost of non-current assets is shown below.

Historical cost	Land and Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Right-of-use assets	Tangible fixed assets under de-velopment	Total
Opening Balance	98.282	41.022	3.404	15.511	2.321	26.909	187.449
Investments	411	1.166	17	1.118	301	8.007	11.021
Disposals and Sales	(4.914)	(1.125)	(17)	(92)	(196)	-	(6.345)
Reclassifications	3.313	15.752	52	12	-	(19.165)	(36)
Closing Balance	**97.092**	**56.816**	**3.455**	**16.548**	**2.426**	**15.751**	**192.089**

Investments mainly related to the following:

- Construction of a wind renewable energy production plant (Euro 6,227 thousand), which is still under construction;
- revamping of an anaerobic digestion plant for the organic fraction of solid urban waste and biomethane production for Euro 731 thousand, which entered into operation in July 2025;
- construction of the infrastructure part for IT development projects (hardware equipment);

- extensions and improvements to buildings and general installations of the company sites and their appurtenances.

Disposals mainly related to the refurbishment of the electrical substation at the Verona company site.
The changes during the year with respect to accumulated depreciation are shown below.

Accumulated Depreciation	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Right-of-use assets	Total
Opening Balance	41.625	35.344	3.041	13.607	1.620	95.237
Disposals and Sales	(2.605)	(1.066)	(4)	(92)	(196)	(3.963)
Amortisation and depreciation	2.072	1.340	64	797	355	4.628
Closing Balance	**41.092**	**35.618**	**3.102**	**14.311**	**1.778**	**95.901**

An analysis is provided below of the net balance of the individual items belonging to tangible assets as at 31 December 2025.

Net value	Land and Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Right-of-use assets	Assets under construction	Total
Opening Balance	56.657	5.678	362	1.905	701	26.909	92.212
Investments	411	1.166	17	1.118	301	8.007	11.021
Disposals and Sales	(2.309)	(59)	(13)	-	-	-	(2.382)
Reclassifications	3.313	15.752	52	12	-	(19.165)	(36)
Amortisation and depreciation	(2.072)	(1.340)	(64)	(797)	(355)	-	(4.628)
Closing Balance	**56.001**	**21.198**	**353**	**2.237**	**648**	**15.751**	**96.187**

Land and buildings mainly relate to buildings and appurtenances of the company's operating sites (Euro 47,007 thousand), as well as to the properties and related appurtenances located at the Cà del Bue (VR) site.
Plant and machinery consists mainly of general plant at the various company sites and the new organic treatment and biomethane plant at the Cà del Bue (VR) facility, which entered into operation in July 2025 (Euro 15,050 thousand).
Other assets mainly include IT equipment and video surveillance systems amounting to Euro 1,827 thousand, office furniture and furnishings of Euro 404 thousand, and, for the remainder, vehicles and transport equipment used by the various business divisions.
The item "right-of-use assets" includes properties subject to lease agreements and motor vehicles in the company fleet under long-term rental contracts..
Assets under construction mainly relate to activities linked to the development of new renewable energy plants from wind and photovoltaic sources for Euro 12,660 thousand, and to improvement works at the various company sites and related appurtenances for Euro 1,806 thousand.

Depreciation rates

	Economic/Technical Rates
- Buildings	1,67% - 6,00%-10,00%-vita utile
-Lightweight buildings	5,00%-10,00%
- General plant and machinery	3,33% - 6,00%-15,00%
-Photovoltaic and wind plants	9,00%-6,67%
-Central machinery	10,00%-15,00%
-Remote control systems and remote transmitters	2,86%-3,33%-vita utile
- Meters and measuring instruments	6,67%-8,70%
- Equipment, instrumentation and tools	5,00%-10,00%
- Vehicles and trucks	5,00%-6,67%-20,00%-25,00%
-Electronic and office machinery	10,00%-12,00%-20,00%
- Assets under concession (water and gas)	1,75%-10,00%-vita utile
- Concessions and leasehold improvements	1/durata concessione
- Software licences	20,00%

Note 3 Equity investments

For the non-current equity investments at 31 December 2025 and with reference to each equity investment held, the final amount and the amounts relating to any revaluations, impairment losses and changes that occurred during the year, are shown below.
As a result of the business combination that took place in 2021, according to IFRS 3 - Business combinations - the value of certain equity investments includes the fair value measurement as an allocation of the price related to the business combination transaction.

Equity investments	Opening balance	Investments	Revaluations (Write-downs)	Disposals and sales	Closing Balance
V-Reti Spa	316.937	-	-	-	316.937
Magis Energia S.p.A.	135.687	-	-	-	135.687
Magis Power S.r.l.	61.776	-	-	-	61.776
Magis Smart S.r.l.	52.582	-	-	-	52.582
Magis Calore S.r.l.	37.520	-	-	-	37.520
Valore Ambiente S.r.l.	13.062	-	-	-	13.062
Magis Ambiente S.r.l.	7.485	-	-	-	7.485
ECO Tirana	1.222	-	-	-	1.222
AGSM Holding Albania Sh.A.	750	-	-	(750)	-
Total investments in subsidiaries	**627.021**	**-**	**-**	**(750)**	**626.271**
Consorzio GPO	8.896	-	204	-	9.100
S.I.Ve. S.r.l.	36	-	-	-	36
Total investments in associates	**8.932**	**-**	**204**	**-**	**9.136**
ICQ Holding S.p.A.	229	-	(229)	-	-
Other minor items	124	-	-	-	124
Total investments in other companies	**353**	**-**	**(229)**	**-**	**124**

During the year, the liquidation process of the subsidiary AGSM Holding Albania Sh.A was completed and the equity investment in Consorzio GPO was remeasured using the equity method.

The impairment provision relating to the equity investment ICQ Holding S.p.A., previously recognised under provisions for risks, was also reclassified as a direct reduction of the value of the equity investment itself, given that no future developments are foreseen in the investment originally made for the trigeneration project for the production of electricity, thermal energy and cooling energy from vegetable oils.

Equity investments in subsidiaries

Name	Head office	Share capital	Equity	Profit (Loss)	% stake	Book value
V-Reti Spa	Vicenza	90.400	352.349	20.902	99,83%	316.937
Magis Energia S.p.A.	Verona	5.271	104.600	43.508	96,27%	135.687
Magis Power S.r.l.	Verona	3.000	68.446	15.234	100,00%	61.776
Magis Smart S.r.l.	Vicenza	3.000	48.683	19	100,00%	52.582
Magis Calore S.r.l.	Verona	3.000	40.213	1.562	100,00%	37.520
Valore Ambiente S.r.l.	Vicenza	1.012	14.400	1.568	100,00%	13.062
Magis Ambiente S.r.l.	Vicenza	50	8.154	735	100,00%	7.485
ECO Tirana	Tirana	4.380	6.266	1.703	49,00%	1.222
Total						**626.271**

The value of equity investments was tested for impairment when the value exceeded the corresponding share of equity.

Equity investments in associates

Name	Head office	Share capital	Equity 2025	Profit (Loss)	% stake	Book value
Consorzio GPO	Reggio Emilia	20.197	22.757	152	33,46%	9.100
S.I.V.E. S.r.l. (2024 financial statements data)	Legnago (VR)	150	1.757	170	24,25%	36
Total		**20.348**	**24.514**	**321**		**9.136**

The equity investment in Consorzio GPO is measured using the equity method, adjusted to reflect the performance of the investee, Astea S.p.A. The equity investment has been valued at Euro 9,100 thousand and there have been no significant changes compared to the previous year.
The composition of the Consortium Fund is as follows:

- IRETI S.p.A. – investment amounting to Euro 12,593 thousand, representing 62.35%;
- Magis S.p.A. – investment amounting to Euro 6,759 thousand, representing 33.46%;
- Magis Ambiente S.r.l. – investment amounting to Euro 845 thousand, representing 4.19%.

S.I.Ve. is measured using the cost method for Euro 36 thousand. The figures shown in the table refer to the financial statements as at 31 December 2024.

Impairment test on equity investments in subsidiaries, associates and other

For all equity investments that have a higher carrying amount than the corresponding fraction of Shareholders' Equity and/or whenever the presence of specific impairment indicators is detected, an impairment test is conducted.
The recoverable value of the equity investments was determined on the basis of the current value of the corresponding expected net cash flows attributable to the investee companies. It is specified that these cash flows are consistent with those used for the CGU Impairment Test in the Consolidated Financial Statements. The same applies to the methodological approach, the basic assumptions and the discount rates adopted, which are better detailed in the Consolidated Annual Financial Report, to which reference should be made for further details. The results of the Impairment Test carried out did not result in any write-down and/or revaluation of the values recorded as at 31 December 2025.

Note 4 Other non-current financial assets

A breakdown of Other non-current financial assets at 31 December 2025 and 2024 is provided below.

Other non-current financial assets	2025	2024	Change	% Change
Financial receivables from subsidiaries	217.266	6.417	210.848	NA
Financial receivables from others	11.605	11.398	207	2%
Financial receivables from subsidiaries of parent companies	14.745	14.845	(100)	-1%
Total	**243.615**	**32.660**	**210.955**	**NA**

The item "Financial receivables from subsidiaries" amounts to Euro 217,266 thousand in total and refers to the non-current portion of mortgage loans granted to V-Reti S.p.A. for Euro113,636 thousand, Magis Power S.r.l. for Euro102,101 thousand, Eco Tirana Sha for Euro 1,439 thousand and Blue Oil S.r.l., recognised for Euro 90 thousand net of an impairment allowance of Euro 250 thousand. Compared to the previous year, the company granted new loans to its subsidiaries for a nominal amount of Euro 270,000 thousand (of which Euro 170,000 thousand to the subsidiary V Reti S.p.A. and Euro 100,000 thousand to the subsidiary Magis Power S.r.l.); during the year, the subsidiary V Reti S.p.A. repaid Euro 50,000 thousand early.
The item financial receivables from companies under the control of the Parent Companies, amounting to Euro 14,745 thousand, refers to the sale of the equity investment in AMIA Verona S.p.A. to AMIAVR S.p.A., subsequently merged into AMIA Verona S.p.A.
Financial receivables from others, amounting to Euro 11,605 thousand, mainly refer to the present value of the receivable from the Municipality of Verona for the residual value of the water assets under concession.
The loans granted to wholly owned subsidiaries bear an interest rate determined on the basis of Magis S.p.A.'s average quarterly borrowing rate, as it is representative of terms aligned with market conditions.

Note 5 Deferred tax assets

This item includes deferred tax assets arising from costs recognised in the current and previous financial years that will become tax deductible in subsequent years. The recovery is due to costs charged in previous years that met the requirements for deductibility from taxable income in 2025. The item is broken down below:

Deferred tax assets	2025	2024	Change	% Change
Deferred tax assets	6.721	7.332	(611)	-8%
Total	**6.721**	**7.332**	**(611)**	**-8%**

Further details about changes in this item are provided in the final part of the note.

Note 6 Other non-current assets

A breakdown of "Other non-current assets" as at 31 December 2025 and 2024, is provided below.

Other non-current assets	2025	2024	Change	% Change
Security deposits	580	582	(2)	0%
Prepaid expenses	233	322	(89)	-28%
Other receivables	81	81	-	0%
Total	**893**	**985**	**(91)**	**-9%**

The item "Other non-current assets" mainly consists of receivables for security deposits of Euro 580 thousand and prepaid expenses of Euro 233 thousand, mainly relating to advances on concession charges related to the water supply and sewerage system of the Municipality of Vicenza.
Receivables from others amount to Euro 81 thousand and relate to the principal and interest portions of the collective INA insurance policy.

3. Current assets

Note 7 Inventories

The following table provides details of inventories at 31 December 2025 and 2024.

Inventories	2025	2024	Change	% Change
Raw materials, consumables and supplies	85	1.243	(1.158)	-93%
Provision for warehouse write-downs	-	(700)	700	-100%
Advances	-	5	(5)	-91%
Total	**86**	**548**	**(463)**	**-84%**

Stocks of raw materials, ancillary materials and consumables comprise consumable supplies (used as part of corporate operations) intended for maintenance activities and consumption. The inventory impairment allowance was fully utilised during the year for the disposal of obsolete materials relating to the disused Cà del Bue (VR) facility, which constituted a significant portion of the previous year's inventories.

Note 8 Trade receivables

The following table provides details of trade receivables for the years ended 31 December 2025 and 2024

Trade receivables	2025	2024	Change	% Change
Trade receivables	7.181	10.802	(3.621)	-34%
Receivables from subsidiaries	8.491	13.501	(5.010)	-37%
Receivables from subsidiaries of the parent company	2.497	2.196	301	14%
Receivables from associates	111	19	92	NA
Receivables from parents	7	2	5	NA
Total	**18.287**	**26.520**	**(8.233)**	**-31%**

Trade receivables

Trade receivables are mainly comprised of receivables relating to environmental hygiene services provided to the Municipality of Vicenza, gas distribution activities carried out in the Municipality of Treviso, and the lease of water networks, as well as lease fees due from Società Vicentina Trasporti.

Trade receivables are stated net of the allowance for doubtful accounts, the changes in which are shown below:

Allowance for doubtful accounts	Opening balance	Accrual	Uses	Closing Balance
Allowance for doubtful accounts	2.474	-	(1.127)	1.347
Total	**2.474**	**-**	**(1.127)**	**1.347**

The allowance for doubtful accounts represents the quantification of the insolvency risk in relation to existing receivables from customers calculated on the basis of specific analytical assessments. The current amount of the allowance was deemed adequate and no further provisions were made during the year. The utilisation amounting to Euro 1,127 thousand arises from positions written off as uncollectable.

Receivables from subsidiaries

Receivables from subsidiaries, amounting to Euro 8,491 thousand, mainly consist of receivables for interest charged in connection with the management of cash pooling and intra-group loans, and trade receivables for gas distribution in the province of Treviso and for corporate services.

Receivables from subsidiaries of parents

Receivables from companies under the control of the Parent Companies, amounting to Euro 2,497 thousand, mainly refer to Acque Veronesi Scarl (for activities carried out under service agreements, for the usage agreements for the head office and for the wastewater treatment plant) and Amia Verona S.p.A. (for interest on financial receivables).

Receivables from associates

Receivables from associates, amounting to Euro 111 thousand, include receivables for invoices issued and to be issued for activities carried out under service agreements.

Receivables from parents

Receivables from the parent company, amounting to Euro 7 thousand, are recognised net of credit notes to be issued and refer to receivables from the Comune di Verona.
For details of intra-group receivables, please refer to the schedule included at the end of the explanatory notes.

Note 9 Current financial assets

The following table provides details of current financial assets for the years ended 31 December 2025 and 2024.

Current financial assets	2025	2024	Change	% Change
Other equity investments in current assets	21	21	-	0%
Financial assets for the centralised treasury management towards subsidiaries	84.294	167.357	(83.063)	-50%
Financial receivables from subsidiaries - current portion	9.050	2.719	6.331	NA
Financial receivables from subsidiaries of parents - current portion	100	100	-	0%
Total	**93.466**	**170.198**	**(76.732)**	**-45%**

Financial assets relating to centralised treasury management, amounting to Euro 84,294 thousand, include receivables due from subsidiaries in connection with the Group's cash pooling activities.
Financial receivables from subsidiaries amount to Euro 9,050 thousand and refer to the portions of loans granted to subsidiaries and falling due by the end of the following year. In particular, they refer to the portions attributable to V-Reti S.p.A. for Euro 6,364 thousand, Magis Power for Euro 2,039 thousand and Eco Tirana for Euro 648 thousand.
The item "financial receivables from companies under the control of the Parent Companies – current portion" relates entirely to the receivable due within 12 months for the sale of the equity investment in AMIA Verona S.p.A. to AMIAVR S.p.A., subsequently merged into AMIA Verona S.p.A.

Note 10 Current tax assets

A breakdown of "Current tax assets" is provided below for the financial years ended 31 December 2025 and 2024.

Current tax assets	2025	2024	Change	% Change
Current tax assets – IRAP	1.411	1.411	-	0%
Current tax assets – IRES	938	22	916	NA
Total	**2.350**	**1.434**	**916**	**64%**

Note 11 Other current assets

A breakdown of "Other current assets" is provided below for the financial years ended 31 December 2025 and 2024.

Other current assets	2025	2024	Change	% Change
Receivables from subsidiaries	17.146	26.419	(9.273)	-35%
Other receivables	2.787	3.174	(387)	-12%
Receivables from CSEA	844	239	605	NA
EEC - Energy Efficiency Certificates	411	408	2	1%
Tax receivables	313	9.331	(9.018)	-97%
Advances to suppliers	223	207	16	8%
Current prepaid expenses	190	564	(373)	-66%
Accrued income	34	34	-	-1%
Incentive receivables on renewable sources	-	242	(242)	-100%
Total	**21.948**	**40.619**	**(18.671)**	**-46%**

The item "receivables from subsidiaries", amounting to Euro 17,146 thousand, mainly relates to receivables arising from the tax consolidation regime and Group VAT arrangements.
The item "Other receivables" totals Euro 2,787 thousand and mainly includes prepaid costs, receivables from the Gestore dei Servizi Energetici (Manager of Energy Services), and receivables from employees.
The item "receivables from CSEA", amounting to Euro 844 thousand, consists of amounts relating to equalisation adjustments and tariff components still to be collected from the Energy and Environmental Services Fund.
The item "energy efficiency certificates" amounts to Euro 411 thousand and relates to white certificates.
Tax receivables refer to receivables from the tax authorities for IRAP refund claims.

The item "prepaid expenses", amounting to Euro 190 thousand, mainly relates to amounts paid in advance in respect of maintenance fees, software licence fees, the use of application platforms and advance concession charges relating to the water supply and sewerage systems of the Municipality of Vicenza.

Note 12 Cash and cash equivalents

The following table provides details of cash and cash equivalents for the years ended 31 December 2025 and 2024.

Cash and cash equivalents	2025	2024	Change	% Change
Bank and postal accounts	38.940	10.635	28.305	0%
Cash-in-hand and cash equivalents	33	31	2	7%
Total	**38.973**	**10.666**	**28.307**	**NA**

The amount of Euro 38,973 thousand relates to cash and cash equivalents held with banks at the reporting date, comprising Euro 38,940 thousand in bank current account balances and the remaining amount in cash on hand and cash equivalents. For a detailed breakdown and analysis of the change in this item, reference is made to the cash flow statement included among the financial statement schedules.

4. Equity

Note 13 Shareholders' Equity

The table on the following page summarises the movements in the equity items during the year.

Pursuant to Article 2427, point 7 bis, of the Italian Civil Code, the Legal reserve can only be used to cover losses. Other reserves, for the portion that includes the revaluation of investments measured with the equity method, are used to cover losses and increase share capital. All other reserves, on the other hand, can be used to cover losses, increase share capital and also for distribution to shareholders.

Share Capital

The share capital of Magis S.p.A., equal to Euro 95,588 thousand, is unchanged from last year. 61.2% is owned by the Municipality of Verona and 38.8% by the Municipality of Vicenza and consists of 63,725,490 ordinary shares with a nominal value of Euro 1.5 each.

Legal reserve

The legal reserve, amounting to Euro 19,118 thousand, was increased during the year through the allocation of a portion of the 2024 profits and now complies with the statutory limits.

Other reserves

The Share premium/contribution reserve from shares/contributions amounts to Euro 384,339 thousand. It was set up in 1999 following the completion of the Special Enterprise's valuation process and decreased by Euro 2,921 thousand in 2001 in relation to the free capital increase, concurrently with the conversion into Euro. In 2021 it increased even further following the increase approved for the issue of the shares to be assigned to the shareholders of the merged Companies, as part of the extraordinary transaction for the re-structuring of the Group.
The extraordinary reserve amounts to Euro 3,875 thousand and is unchanged compared to the previous year.
The reserve for contributions of Euro 3,194 thousand includes the residual portions (not included in the above-mentioned share premium/contribution reserve) of capital contributions for investments received up to 31 December 1997 and recognised under the equity components, in line with the accounting criteria adopted up to that date.
The reserve for adjusting values under Law 127/97 for Euro 34,836 thousand was recognised in 2000 following the adjustment of the values of the assets contributed by the Special Enterprise to the joint stock company on 1 January 2000, based on the valuations prepared by the Board of Directors with reference to the appraisal prepared pursuant to and for the purposes of Article 2343 of the Italian Civil Code.
The item "Other reserves" of Euro 11,050 thousand refers to the effects of previous revaluations of equity investments on equity and the recognition of actuarial gains and losses on valuations of the defined benefit plans.
The cash flow hedge reserve, negative for Euro 178 thousand, includes the fair value, net of the related tax effect, and the related changes in value of the financial instruments held by the Company to hedge interest rate risk on certain borrowings.
The IFRS FTA reserve, negative for Euro 5,892 thousand, represents the amount recognised as at 1 January 2021 upon the adoption of the international accounting standards IAS/IFRS.
Retained earnings, which amount to Euro 15,565 thousand at year end, increased by Euro 814 thousand following the allocation of the profit for the previous financial year.
The profit for the 2024 financial year, amounting to Euro 30,257 thousand, was allocated pursuant to the resolution of 29 May 2025 as follows: Euro 543 thousand to the legal reserve, Euro 814 thousand to retained earnings and Euro 28,900 thousand as dividends to shareholders
A total of Euro 28,900 thousand in dividends was distributed during the year, relating to years prior to the reporting year.

Profit (loss) for the year

Profit for the year 2025 amounted to Euro 30,012 thousand.

Equity	Share capital	Share premium/ contribution reserve	Revaluation surplus	Legal reserve	Extraordinary reserve	Capital grants reserve	Transformation reserves as per Law 127/97	IFRS FTA Reserve	Other reserves	Cash flow hedge reserve	Retained earnings (losses)	Profit (loss) for the year	Total Equity
Opening Balance	95.588	384.339	201	18.574	3.875	3.194	34.836	(5.892)	11.312	(270)	14.750	30.257	590.766
Allocation of the result	-	-	-	543	-	-	-	-	-	-	29.714	(30.257)	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(28.900)	-	(28.900)
Other comprehensive income	-	-	-	-	-	-	-	-	(262)	92	-	-	(170)
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	-	-	30.012	30.012
Closing Balance	**95.588**	**384.339**	**201**	**19.118**	**3.875**	**3.194**	**34.836**	**(5.892)**	**11.050**	**(178)**	**15.565**	**30.012**	**591.708**

5. Non-current liabilities

Note 14 Non-current financial liabilities

A breakdown of the item "Non-current financial liabilities" at 31 December 2025 and 2024 is provided below.

Non-current financial liabilities	2025	2024	Change	% Change
Bonds	104.600	55.140	49.460	90%
Bank loans	149.688	108.333	41.355	38%
Loans and borrowings from other financial backers	354	358	(4)	-1%
Total	**254.642**	**163.832**	**90.810**	**55%**

The closing balance of the item bonds consists of a bond issued in 2017 and renegotiated during 2024 with a residual value of Euro 10,071 thousand, maturing 20 September 2027; a bond with GREEN BOND characteristics, issued in 2024 with a nominal amount of Euro 46,000 thousand, maturing on 7 August 2031, based on the Green Financial Framework; and a third fixed-rate bond of the NPA type (Note Purchase and Private Shelf Agreement), issued with one of the main foreign funds for a total amount of Euro 200,000 thousand – equal to a maximum equivalent value of USD 200,000 thousand - issued during the year on 26 June 2025, with a first tranche with a nominal amount of Euro 50,000 thousand, maturing on 26 June 2037.
All three bonds are listed on the Main Securities Market, a regulated market managed by Euronext Dublin – Irish Stock Exchange, and enable the Group to retain its Public Interest Entity status.

Total long-term bank loans amounted to Euro 149,688 thousand (nominal value Euro 149,953 thousand), and consisted of the principal portion of the loans.
For the performance of the item "financial liabilities", please refer to the information set out in the Report on Operations.
Some loans granted by banks, as well as the bonds, require compliance with financial covenants, which have been met as at 31 December 2025. The costs incurred by the Company to obtain bank loans were initially recognised with a reduction in financial liabilities and subsequently recognised among financial expenses using the amortised cost method in accordance with IFRS 9.
The item "Liabilities to other financing providers", amounting to Euro 354 thousand, includes the non-current portion of lease liabilities relating to tangible assets accounted for in accordance with IFRS 16.

Note 15 Employee benefits

The breakdown of "Employee benefits" at 31 December 2025 and the changes occurred compared to 31 December 2024 are shown below:

Employee benefits	Opening balance	Accruals	Uses	Other changes	Other comprehensive income - Employee benefits	Closing Balance
Employee severance indemnities	2.694	941	(165)	(885)	(97)	2.488
Provision for rate discounts	3.107	100	(287)	-	360	3.279
Total	**5.801**	**1.040**	**(451)**	**(885)**	**262**	**5.767**

In compliance with IAS 19, the employee severance indemnities (TFR) and discounts from tariff rates applied to former employees have been considered as defined benefit obligations and consequently, the related

liability is measured using actuarial techniques. In accordance with IAS 19R, actuarial valuations are carried out based on the accrued benefit method using the Projected Unit Credit Method.
This method calculates the TFR accrued at a specified date on an actuarial basis, allocating the charge over the residual work life of current employees.
The technical assessments required by the application of IAS 19 were carried out on the basis of the technical-economic assumptions set out below.

Summary of the technical and economic bases	2025	2024
Discounting annual rate	3,96%	3,38%
Annual inflation rate	2,00%	2,00%
TFR annual growth rate	3,00%	3,00%
Effective annual remuneration growth rate	0,75%	0,75%

It should be noted that:

- the annual discount rate used to determine the current value of the bond has been calculated, in line with paragraph 83 of IAS 19, from the Iboxx Corporate AA index with a duration of 10+ recorded at the valuation date. To this end, the yield was chosen with a duration comparable to the duration of the group of workers being assessed;
- the annual rate of increase in severance pay, as provided for by Article 2120 of the Italian Civil Code, is equal to 75% of inflation plus 1.5 percentage points;
- since the Company had an average of fewer than 50 employees during 2006, the annual wage growth rate used was determined based on the data provided by the Companies.

Note 16 Provision for risks and charges

The breakdown of "Provision for risks and charges" at 31 December 2025 and the changes occurred compared to 31 December 2024 are shown below.

Provision for risks and future charges	Opening balance	Accruals	Uses	Reclassifica-tions	Other changes	Closing Balance
Provision for sundry risks	6.443	382	(1.466)	(229)	(550)	4.579
Provision for future charges	2.063	-	-	-	(13)	2.050
Total	**8.505**	**382**	**(1.466)**	**(229)**	**(562)**	**6.629**

The provision for miscellaneous risks amounts to Euro 4,579 thousand and relates to ongoing litigation, compensation claims and risks associated with asset items presenting potential recoverability issues, for which it was considered prudent to recognise a risk provision. The movements during the year mainly relate to the release of amounts allocated for potential charges relating to property, plant and equipment that are considered no longer applicable.

The provision for future charges amounts to Euro 2,050 thousand, substantially unchanged compared to the previous year following the revision of estimates. It relates to the estimate of possible future charges relating to the production site of Cà del Bue (VR).

Note 17 Deferred tax liabilities

The table below shows the changes occurred compared to 31 December 2024 of the item "Deferred tax liabilities" at 31 December 2025.

Deferred tax liabilities	Opening balance	Accruals	Uses	Closing Balance
Provisions for taxes, including deferred tax liabilities	3.634	-	(215)	3.418
Total	**3.634**	**-**	**(215)**	**3.418**

The "Provision for taxes, including deferred taxation" comprises deferred tax liabilities arising from income items recognised in 2025 or in prior years which, under applicable tax legislation, are not included in the taxable income of the current financial year. Deferred tax liabilities originated mainly from differences between the statutory and tax values of fixed assets. Further details about changes in the provision item are provided in the final part of the note.

Note 18 Other non-current liabilities

The breakdown of "Other non-current liabilities" at 31 December 2025 and the changes occurred compared to 31 December 2024 are shown below.

Other non-current liabilities	2025	2024	Change	% Change
Derivative financial instruments	235	355	(121)	-34%
Deferred income	9.423	9.220	203	2%
Total	**9.658**	**9.575**	**83**	**1%**

The line item "Derivative financial instruments" reflects the negative fair value of hedging derivatives as at the valuation date. The essential information on existing derivative contracts is provided below

Company	Contract date	Type	Counterpar-ty	Closing Date	Purpose	Risk hedged	Notional	Fair Value at 31/12/25
Magis S.p.A.	13/02/2024	Interest rate swap	BPM	31/12/2028	Hedging	Interest	10.260	(117)
Magis S.p.A.	13/02/2024	Interest rate swap	BNL BNP	31/12/2028	Hedging	Interest	10.260	(117)
Total provision								(235)

Deferred income is composed of prepaid capital grants related to plants recognised to profit or loss on the basis of the useful life of the assets to which they refer, from the moment they enter into operation. The change of Euro 203 thousand is due to new grants received for Euro 1,464 thousand, net of releases recognised in the period and the reclassification of the short-term portion.

6. Current liabilities

Note 19 Current financial liabilities

The breakdown of "Current financial liabilities" at 31 December 2025 and the changes occurred compared to 31 December 2024 are shown below.

Current financial liabilities	2025	2024	Change	% Change
Bank borrowings	221.891	152.097	69.794	46%
Loans and borrowings from other financial backers	913	956	(43)	-5%
Payable to the Municipality of Vicenza for approved dividends	22.000	25.530	(3.531)	-14%
Payable to the Municipality of Verona for approved dividends	37.689	40.270	(2.581)	-6%
Financial payables to subsidiaries	42.902	32.103	10.799	34%
Total	**325.394**	**250.956**	**74.438**	**30%**

Bank borrowings amount to a total of Euro 221,891 thousand and consist of loans maturing within the next financial year amounting to Euro 8,796 thousand and bank overdrafts of Euro 213,095 thousand.
Loans and borrowings from other financial backers, amounting to Euro 913 thousand include the short-term portion of lease liabilities on property, plant and equipment recognised in the financial statements in accordance with the financial method for accounting for leases as set out in IFRS 16.
Amounts due to the Municipalities of Vicenza and Verona in respect of declared but unpaid dividends amount respectively to Euro 22,000 thousand and Euro 37,689 thousand.
Financial payables to subsidiaries, amounting to Euro 42,902 thousand, relate to the Group's cash pooling arrangements.

Note 20 Trade payables

The breakdown of "Trade payables" at 31 December 2025 and the changes occurred compared to 31 December 2024 are shown below.

Trade payables	2025	2024	Change	% Change
Trade payables	11.147	15.894	(4.747)	-30%
Payables to subsidiaries	6.429	10.703	(4.275)	-40%
Payables to subsidiaries of the parent companies	62	145	(83)	-57%
Advances	56	129	(73)	-56%
Total	**17.694**	**26.872**	**(9.177)**	**-34%**

The item "Trade payables", amounting to Euro 11,147 thousand, includes amounts due to suppliers net of credit notes to be received and comprises both liabilities relating to invoices received but not yet due, and liabilities accrued in relation to purchases and services pertaining to the year for which the relevant invoice was received in the subsequent financial year.
The item "Payables to subsidiaries", amounting to Euro 6,429 thousand, includes trade payables mainly for urban hygiene services. Please refer to the details provided at the end of the notes.

Note 21 Current tax liabilities

The breakdown of "Current tax liabilities" at 31 December 2025 and the changes occurred compared to 31 December 2024 are shown below.

Current tax liabilities	2025	2024	Change	% Change
Current tax payables for IRES	2.623	9.764	(7.141)	-73%
Total	**2.623**	**9.764**	**(7.141)**	**-73%**

Current tax payables refer to income taxes relating to subsidiaries, transferred by them to the Parent Company under the group tax consolidation regime.

Note 22 Other current liabilities

A breakdown of “Other current liabilities” at 31 December 2025 and 2024 is provided below.

Other current liabilities	2025	2024	Change	% Change
Payables to employees	2.723	2.598	125	5%
Sundry payables to subsidiaries	1.508	1.089	419	39%
Other current payables	1.487	3.244	(1.757)	-54%
Tax payables	1.314	16.471	(15.157)	-92%
Accrued expenses	1.311	1.240	70	6%
Payables to social security and welfare institutions	1.254	1.310	(55)	-4%
Payables to CSEA	891	452	439	97%
Deferred income	875	511	364	71%
Security deposits	505	500	6	1%
Payables for excise duties	23	188	(166)	-88%
Sundry payables to subsidiaries of parent companies	11	11	-	2%
Total	**11.901**	**27.612**	**(15.711)**	**-57%**

The item “Amounts due to employees”, amounting to Euro 2,723 thousand, mainly relates to amounts payable in respect of productivity bonuses and accrued but untaken holiday entitlement as at 31 December 2025.
The item “Sundry payables to subsidiaries” amounts to Euro 1,508 thousand and is mainly composed of payables accrued for the transfer of tax losses for the year under the tax consolidation mechanism.
The item “Other current payables”, amounting to Euro 1,487 thousand, includes payables to the Municipality of Vicenza, to other post-employment provision funds and to Arera.
The item “Tax payables” amounts to a total of Euro 1,314 thousand and includes the Group’s VAT payable as well as payables for withholding taxes on employment and self-employment income to be paid.
The item “Accrued expenses”, amounting to Euro 1,311 thousand, mainly refers to interest accrued on loans and bonds.
The item “Payables to social security and welfare institutions”, amounting to Euro 1,254 thousand, includes the payables due at 31 December 2025 for the portions payable by the Company and by employees on wages, salaries and estimated charges, which are to be paid in the following months.
Payables to the Cassa per i Servizi Energetici e Ambientali and gas equalisation systems amount to Euro 891 thousand.
The item “Deferred income” amounts to Euro 875 thousand and mainly relates to the Industry 4.0 investment tax credit, as well as contributions received for utility connections.
The item “Security deposits”, amounting to Euro 505 thousand, represents the amount paid by customers for taking part in and being awarded tenders.

7. Value of production

Note 23 Revenue from sales and services

The following table presents details by category of activity of the line item "Revenue from sales and services" for the years ended 31 December 2025 and 2024, including the corresponding variations.

Revenue from sales and services	2025	2024	Change	% Change
Intercompany revenue	31.117	23.356	7.761	33%
Fees for collection and sweeping	22.857	21.808	1.049	5%
Revenue from methane gas	7.149	6.376	773	12%
Sundry revenue	6.023	6.676	(653)	-10%
Revenue from waste treatment	1.389	644	745	NA
Revenue from electricity	227	104	123	NA
Revenue from fibre optics	-	17	(17)	-100%
Total	**68.761**	**58.983**	**9.779**	**17%**

Intercompany services and supplies, which represent the Company's main revenue item amounting to Euro 31,117 thousand, mainly relate to corporate services provided by Magis S.p.A. and utilised by subsidiaries in carrying out their institutional activities, including property services, administrative, legal and financial management, planning and control, procurement, engineering, human resources, fleet management, information systems and quality, health, safety and environmental services.

Revenues from waste collection and street cleaning, amounting to Euro 22,857 thousand, reflect the consideration recognised by the Municipality of Vicenza to Magis S.p.A. for the management of waste collection, disposal and transport services, including administrative costs relating to assessment, collection and litigation activities, determined in accordance with the Waste Tariff Method (MTR-2) established by ARERA Resolution 363/2021/R/rif applicable for the regulatory period 2022–2025.

The methane gas revenue amounting to Euro 7,149 thousand relates to the concession for the distribution of gas in the City of Treviso, under an agreement signed in 2005 for twelve years (now continuing ope legis until the new assignment).

Sundry revenue, amounting to Euro 6,023 thousand, mainly refers to services rendered to third parties and include Euro 4,173 thousand of revenue from Acque Veronesi Scarl and Viacqua S.p.A. for the lease of assets pertaining to the integrated water service. The remaining part, amounting to Euro 1,850 thousand, relates to revenue from usage agreements and from the provision of other services to Acque Veronesi Scarl and the Comune di Verona.

Note 24 Other revenues

A breakdown of "Other revenues" is provided below for the financial years ended 31 December 2025 and 2024.

Other revenue	2025	2024	Change	% Change
Contingent items and non-realised losses	1.246	711	534	75%
Grants related to plants	922	902	20	2%
Other revenues	610	111	499	NA
Revenue from services to third parties	278	131	147	NA
Indemnities, reimbursements and other	112	1	111	NA
Gains	34	166	(132)	-79%
Grants for current expenses	11	212	(201)	-95%
Certified revenues	2	-	2	NA
Other revenues	**3.214**	**2.234**	**980**	**44%**
Increases in non-current assets	**794**	**338**	**456**	**NA**
Total	**4.009**	**2.572**	**1.437**	**56%**

The main component of other income relates to extraordinary income and reversals of provisions, amounting in total to Euro 1,246 thousand, and mainly includes amounts arising from differences in estimated balances, releases from the "Provision for miscellaneous risks", as well as the recognition of reversals of liabilities previously recognised in the financial statements.
The item relating to the release of capital grants contributed Euro 922 thousand to revenues.
The general item of other sundry revenue, totalling Euro 610 thousand, mainly consists of the reimbursement of personnel costs for staff working at other Group companies.
The item "Revenue and services to third parties", amounting to Euro 278 thousand, relates to the sale of materials.
The item "Compensation, reimbursements and other" – amounting to Euro 112 thousand – mainly relates to compensation received for expropriation, as well as the reimbursement of legal and litigation costs and insurance compensation.
The item "Gains" amounts to Euro 34 thousand and relates to revenue from the ordinary disposal of company assets, mainly relating to the sale of the Via Biron head office.

The increases in non-current assets for internal work, amounting to Euro 794 thousand, include the costs relating to the consumables used and the personnel used for construction work, and the costs relating to the additional maintenance carried out for the technological upgrade of the company's plants, in particular Euro 113 thousand for the Galtarossa (VR) head office, Euro 131 thousand for the San Biagio, Ca' Perse and Pelosa (VI) sites, and Euro 380 thousand for the Monte Giogo di Villore plant (Euro 354 thousand) and photovoltaic plants (Euro 26 thousand).

Increases in non-current assets	2025	2024	Change	% Change
Labour	703	277	426	NA
Materials	92	61	30	50%
Total	**794**	**338**	**456**	**NA**

8. Operating costs

Note 25 Costs for raw materials and consumables

A breakdown of “Costs for raw materials and consumables” is provided below for the financial years ended 31 December 2025 and 2024.

Costs for raw materials and consumables	2025	2024	Change	% Change
Electricity	1.448	1.432	17	1%
Purchase of materials	880	542	337	62%
Gas	531	382	149	39%
Purchase of heat	250	233	16	7%
Change in inventories	178	55	123	0%
Total	**3.287**	**2.644**	**643**	**24%**

The most significant item in the period is the costs for the purchase of electricity, amounting to Euro 1,448 thousand, incurred for consumption at the company sites. These supplies, as well as those relating to gas and heat, are provided by the subsidiary Magis Energia S.p.A.
The purchase of materials, amounting to Euro 880 thousand, mainly refers to purchases for inventory materials for Euro 346 thousand and purchases of materials to be used for the provision of services for Euro 285 thousand.
The change in inventories amounted to Euro 178 thousand.

Note 26 Costs for services

A breakdown of “Costs of services” is provided below for the financial years ended 31 December 2025 and 2024.

Costs for services	2025	2024	Change	% Change
Intercompany services	25.642	24.555	1.087	4%
Hardware and software maintenance	6.885	5.604	1.281	23%
Professional services	3.592	1.862	1.730	93%
Costs for works and maintenance	3.246	2.065	1.181	57%
Advertising and sponsorships	2.485	1.145	1.340	0%
Personnel costs	1.934	1.786	148	8%
Costs for disposal	1.503	1.131	371	33%
Security, cleaning and porterage	1.029	1.094	(65)	-6%
IT services	906	1.010	(103)	-10%
Directors' remuneration	787	709	78	11%
Insurance	301	438	(137)	-31%
Various outsourced services	284	279	5	2%
Other services	279	570	(291)	-51%
Board of Statutory Auditors fees	231	222	9	4%
Bank services	201	135	66	49%
Telephony expenses	171	226	(54)	-24%
Internal consumption for office use	77	90	(13)	-14%
Electricity transport and system costs	66	1	66	NA
Other environmental services	32	-	32	NA
Total	**49.651**	**42.919**	**6.733**	**16%**

The item relating to intercompany services, amounting in total to Euro 25,642 thousand, mainly includes Euro 22,336 thousand relating to waste collection and disposal services provided by the subsidiary Valore Ambiente S.r.l. and Euro 3,269 thousand relating to various services rendered by subsidiary companies, including: remote-

control operations centre services provided by the subsidiary V-Reti S.p.A. for Euro 1,610 thousand; TARI tariff management services provided by the subsidiary Magis Energia S.p.A. for Euro 477 thousand; biomethane plant management services provided by the subsidiary Magis Ambiente S.r.l. for Euro 464 thousand; connectivity services provided by the subsidiary Magis Smart Solutions S.r.l. for Euro 169 thousand; photovoltaic services relating to the head office and the Cà del Bue (VR) site provided by the subsidiary Magis Power S.r.l. for Euro 171 thousand; and maintenance services on cooling and heating systems provided by the subsidiary Magis Calore S.p.A. for Euro 153 thousand.
The item "Hardware and software maintenance", totalling Euro 6,885 thousand, mainly refers to software maintenance fees of Euro 5,726 thousand.

Note 27 Costs for the use of third-party assets

A breakdown of "Leases and rentals" is provided below for the financial years ended 31 December 2025 and 2024.

Costs for the use of third-party assets	2025	2024	Change	% Change
Rent for the use of third-party networks	1.525	1.563	(38)	-2%
Concession charges	343	293	50	17%
Rentals	278	268	10	4%
Other costs for leases and rentals - Crossing fees and fees for hydroelectric use	153	160	(7)	-4%
Rents and leases	105	24	81	0%
Total	**2.404**	**2.308**	**97**	**4%**

The item "Rental charges for the use of third-party networks", amounting to Euro 1,525 thousand, relates to the fee paid to the Municipality of Treviso for the concession of the gas distribution service.
The item "Concession charges" amounts to Euro 343 thousand and relates to fees payable under the concessions in place with the Municipality of Vicenza relating to environmental hygiene services.
Included among other costs for the use of third-party assets are rental expenses amounting to Euro 278 thousand, mainly relating to company vehicles, and crossing and hydroelectric usage fees amounting to Euro 153 thousand.

Note 28 Other operating costs

A breakdown of "Other operating costs" is provided below for the financial years ended 31 December 2025 and 2024.

Other operating costs	2025	2024	Change	% Change
Other general expenses	1.321	837	484	58%
Contingent liabilities	760	319	442	0%
IMU	629	658	(29)	-4%
Other taxes and duties	573	354	220	62%
Indemnities	331	135	196	NA
Donations	289	245	44	18%
Losses on disposals and non-realised gains	168	257	(89)	-35%
Authority Contribution	17	14	3	25%
Total	**4.089**	**2.817**	**1.272**	**45%**

The most significant item relates to other general expenses, amounting to Euro 1,321 thousand, and mainly refers to charges payable to the Authority for Euro 699 thousand and membership contributions for Euro 342 thousand.
The item "contingent liabilities", amounting to Euro 760 thousand, concerns settlements and effects on 2025 of income statement components estimated in previous financial years.

Note 29 Personnel costs

A breakdown of "Personnel costs" is provided below for the financial years ended 31 December 2025 and 2024.

Personnel costs	2025	2024	Change	% Change
Wages and salaries	15.432	14.764	668	5%
Social security contributions	4.160	4.168	(8)	0%
Employee severance indemnities	941	942	(1)	0%
Other personnel costs	209	588	(379)	-65%
Total	**20.741**	**20.462**	**279**	**1%**

The table below shows the number of employees broken down by category.

Headcount	2024	Recruitment	Terminations	2025	Average
Senior managers	12	4	-2	14	14
Middle managers	29	3	-2	30	30
White collar workers	219	15	-23	211	212
Blue collar workers	15	0	-2	13	14
Total	**275**	**22**	**-29**	**268**	**270**

Headcount at 31 December 2025 was 7 employees lower than in the previous year.
The average cost per capita of work is equal to Euro 77 thousand, slightly up compared to the previous year, equal to Euro 76 thousand.

Note 30 Amortisation, depreciation, provisions and impairment losses

A breakdown of "Amortisation, depreciation and other provisions" is provided below for the financial years ended 31 December 2025 and 2024.

Amortisation, depreciation, provisions and impairment losses	2025	2024	Change	% Change
Intangible assets	8.550	8.383	167	2%
Tangible fixed assets	4.628	3.799	829	22%
Total amortisation/depreciation	**13.178**	**12.182**	**996**	**8%**
Provisions for liabilities	382	710	(328)	-46%
Total provisions	**382**	**710**	**(328)**	**-46%**
Total	**13.560**	**12.892**	**668**	**5%**

Depreciation and amortisation of tangible fixed assets and intangible assets reflect the normal obsolescence process over the useful life.
The provision for risks includes the allocation relating to possible settlements on municipal fees for gas distribution, as well as the allocation relating to the increase in ongoing disputes.

9. Financial income and expenses

Note 31 Income from equity investments

A breakdown of "Income from equity investments" is provided below for the financial years ended 31 December 2025 and 2024.

Income from equity investments	2025	2024	Change	% Change
Magis Energia S.p.A.	37.353	29.094	8.258	28%
Magis Power S.r.l.	12.000	9.256	2.744	30%
Magis Smart S.r.l.	1.000	2.070	(1.070)	-52%
Valore Ambiente S.r.l.	700	1.234	(534)	-43%
AGSM Holding Albania Sh.A.	565	-	565	NA
V-Reti S.p.A.	-	11.577	(11.577)	-100%
Total income from subsidiaries	**51.618**	**53.232**	**(1.614)**	**-3%**
Consorzio GPO	-	91	(91)	-100%
Total income from associates	**-**	**91**	**(91)**	**-100%**
Minority interests	3	135	(132)	-98%
Total income from other companies	**3**	**135**	**(132)**	**-98%**
Total	**51.620**	**53.458**	**(1.838)**	**-3%**

Income from shareholdings in subsidiaries refers to dividends received from controlled companies and is recognised upon the adoption of the distribution resolutions by the respective Shareholders' Meetings.
Please note that this amount also includes the gain of Euro 565 thousand arising from the liquidation of the Group company AGSM Holding Albania Sh.A.

Note 32 Financial income

A breakdown of "Financial Income" is provided below for the financial years ended 31 December 2025 and 2024.

Financial income	2025	2024	Change	% Change
Income from subsidiaries	8.085	7.813	272	3%
Income from related companies	633	822	(189)	-23%
Other financial income - from securities recognised as current assets that do not constitute equity investments	-	3	(3)	-100%
Interest income on bank and postal savings accounts	22	103	(81)	-79%
Other interest income	224	200	24	12%
Total	**8.963**	**8.941**	**22**	**0%**

Income from subsidiary companies derives from interest income accrued on loans granted to subsidiaries, including the Group cash pooling arrangements, and mainly relates to interest accrued from V-Reti S.p.A. for Euro 5,346 thousand, from Magis Calore S.r.l. for Euro 591 thousand and from Magis Power S.r.l. for Euro 615 thousand.
Income from related companies arises from the interest portion, amounting to Euro 633 thousand, accrued on the receivable relating to the sale of the equity investment in Amia Verona S.p.A.
Interest income accrued on bank and postal current accounts amounts to Euro 22 thousand.
Other interest income mainly relates – for Euro 188 thousand – to the recognition, in accordance with IFRIC 12, of concession arrangements for the water supply and sewerage services of Verona, as well as to statutory interest arising from the judgment relating to the expropriation of the Campedello area.

Note 33 Financial expenses

A breakdown of "Financial expenses" is provided below for the financial years ended 31 December 2025 and 2024.

Financial expenses	2025	2024	Change	% Change
Expenses payable to subsidiaries	**1.267**	**1.389**	**(122)**	**-9%**
Interest expenses on loans	5.804	9.881	(4.078)	-41%
Interest expenses on bonds	4.174	1.277	2.898	NA
Interest expenses on current account overdrafts	2.944	2.455	489	20%
Bank expenses and charges	813	899	(86)	-10%
Other interest expenses	262	336	(74)	-22%
Expenses payable to third parties	**13.997**	**14.847**	**(851)**	**-6%**
Total	**15.263**	**16.236**	**(973)**	**-6%**

Financial expenses payable to subsidiaries, amounting to Euro 1,267 thousand, include interest expense accrued on the group cash pooling account.

Expenses payable to third parties, equal to Euro 13,997 thousand, primarily comprise interest payable on loans, bonds and current account facilities and, for the remaining portion, other interest expense mainly attributable to the accounting treatment under IAS 19 of discounts, other tariff benefits and employee severance pay (TFR), together with the recognition under IFRS 16 of effective finance charges relating to lease and hire agreements.

10. Adjustments to financial assets

Note 34 Value adjustments to financial assets

Below is the breakdown of the item "Value adjustments to financial assets" for the financial years ended 31 December 2025 and 2024.

Adjustments to financial assets	2025	2024	Change	% Change
Revaluations				
Revaluations of equity investments	204	-	204	NA
Total revaluations	**204**	**-**	**204**	**NA**
Total	**204**	**-**	**204**	**NA**

The item "Revaluations of equity investments", equal to Euro 204 thousand, refers entirely to the measurement with the equity method of the associate Consorzio GPO.

11. Taxes

Note 35 Income tax

A breakdown of "Income taxes" is provided below for the financial years ended 31 December 2025 and 2024.

Income taxes	2025	2024	Change	% Change
Deferred tax assets and liabilities	366	229	137	60%
Previous years' taxes	301	(286)	587	NA
Income from tax consolidation	(6.118)	(6.525)	407	-6%
Total	**(5.451)**	**(6.582)**	**1.131**	**-17%**

The pre-tax profit amounted to Euro 24,561 thousand.
The balance of deferred tax assets and liabilities amounts to Euro 366 thousand. For the relative changes, one should refer to the attached table referred to in point 14 of Article 2427 of the Italian Civil Code.
The overall balance of taxes was negative, as it consisted mainly of income from tax consolidation due to the transfer of losses.
The table below shows the reconciliation between the theoretical and effective tax expense.

IRES reconciliation		Taxable income	Taxes
Pre-tax profit (loss)		**24.561**	
Theoretical tax charge (+24%)			**5.895**
Permanent deltas – Increases		2.004	481
Temporary deltas – Increases		9.538	2.289
Permanent deltas – Decreases		(49.100)	(11.784)
Temporary deltas – Decreases		(4.393)	(1.054)
Tax base		**(17.391)**	
Current IRES tax for the year			**-**
Impact of current taxes on pre-tax result			**0,00%**

IRAP reconciliation		Taxable income	Taxes
Difference between value and costs of production		**(20.963)**	
Costs not relevant for IRAP purposes		21.123	
Total		**161**	
Theoretical tax charge (+4.82%)			**8**
Increases		2.869	138
Decreases		(3.472)	(167)
Tax wedge		(19.992)	(964)
Tax base		**(20.434)**	
Current IRAP taxes for the year			**-**
Effect of current IRAP taxation on the difference between production value and production costs			**0,00%**

12. Other information

Financial instrument classes and fair value hierarchies

To complete the analyses required by IFRS 7 and IFRS 13, the types of financial instruments found in the financial statements are shown, with an indication of the valuation criteria applied and, in the case of financial instruments measured at fair value, of the exposure (Income Statement or Equity).

Fair Value Hierarchies

IFRS 7 and IFRS 13 require that financial instruments measured at fair value are classified on the basis of the quality of the sources of inputs used in determining the fair value. In particular, 3 levels of fair value are defined:

- Level 1: classified in this level are financial assets/liabilities whose fair value is determined on the basis of quoted (unmodified) prices on active markets, both Official and Over the Counter, of identical assets or liabilities;
- Level 2: classified in this level are financial assets/liabilities whose fair value is determined on the basis of inputs other than the quoted prices referred to in Level 1, but which are directly or indirectly observable on the market for these assets/liabilities;
- Level 3: financial assets/liabilities whose fair value is determined on the basis of non-observable market data are classified in this level. This category includes instruments measured on the basis of internal estimates, carried out using proprietary methods based on industry best practices.

For the breakdown of assets and liabilities between the different levels of fair value, see the table below “Fair value hierarchy”. Financial assets measured at fair value are level 1.

Fair value hierarchies	Notes	Original in company currency	Financial instruments measured at fair value		Financial instruments measured at amortised cost
			Income Statement	Equity	
STATEMENT OF FINANCIAL POSITION – ASSETS					
NON-CURRENT ASSETS					
Other non-current financial assets	4	243.615	-	-	243.615
Other non-current assets	6	893	-	-	893
CURRENT ASSETS					
Trade receivables	8	18.287	-	-	18.287
Current financial assets	9	93.466	-	-	93.466
Other current assets	11	21.948	-	-	21.948
Cash and cash equivalents	12	38.973	-	-	38.973
Assets sold			-	-	-
STATEMENT OF FINANCIAL POSITION - LIABILITIES					
Non-current financial liabilities	14	254.642	-	-	254.642
Other non-current liabilities	18	9.658	-	235	9.423
CURRENT LIABILITIES					
Current financial liabilities	19	325.394	-	-	325.394
Trade payables	20	17.694	-	-	17.694
Other current liabilities	22	11.901	-	-	11.901
Liabilities disposed			-	-	-

Commitments, guarantees granted and contingent liabilities not shown in the Statement of Financial Position

The overall amount of commitments, guarantees and contingent liabilities totals Euro 416,012 thousand and comprises deposits lodged with third parties, guarantees provided by Magis S.p.A. to banks in connection with credit lines, and other bank guarantees granted in favour of other Magis Group companies.

Revenue or cost items of exceptional amount or impact

There are no items to report.

Treasury shares

In accordance with Article 2428 of the Italian Civil Code, Magis S.p.A. neither owned, purchased nor sold treasury shares or shares/interests in parent companies during the year, whether through trust companies or third parties acting on its behalf.

Remuneration of the Directors, Board of Statutory Auditors and Independent Auditors

The following table shows the fees for the year 2025 payable to the members of the administrative and supervisory bodies of the Parent Company.

	Period	End of office	Remuneration
Directors	01/01/2025-31/12/2025	Approvazione bilancio 2026	787
Board of Statutory Auditors	01/01/2025-31/12/2025	Approvazione bilancio 2026	231

Disclosures required under Article 149-duodecies of the Issuers' Regulations

The table below, prepared in accordance with Article 149-duodecies of the Consob Issuers' Regulation, shows the fees for the year 2025 payable to the independent auditors for audit services and other services rendered by the Parent Company's auditor.

Type of service	Service provider	Fees for the year
Accounts audit	Parent Company audit	38
Limited assurance on sustainability reporting	Parent Company audit	45
Other assurance engagements	Parent Company audit	18

Name and registered office of the company preparing the consolidated financial statements

With reference to the information required by Article 2427, point 22-quinquies and sexies of the Italian Civil Code, it should be noted that as at 31 December 2025 the direct controlling entity was the Municipality of Verona, with registered office in Piazza Bra 1 - Verona; the controlling entity prepared the Consolidated Financial Statements of the largest Group to which the Company belongs and made them available at its registered office.

Management and coordination activity

The Company is not subject to unitary management and coordination.

Description of temporary differences that resulted in the recognition of deferred tax assets and liabilities

Deferred tax assets	Deferred tax assets - taxable amount	2024 Tax (a)	Adjust.	2025 Tax (b)	Accruals	2025 Tax (c)	Uses	2025 Tax (d)	Deferred tax assets - taxable amount	2025 Tax (a+b+c)
Assets area difference	5.227	1.255	(2)	(1)	-	-	(253)	(61)	4.972	1.193
Connection contributions etc.	5.441	890	-	19	-	-	(458)	(73)	4.984	836
Write-downs of buildings	4.370	1.219	-	40	-	-	-	-	4.370	1.259
Provision for future charges	2.063	575	-	19	-	-	-	-	2.063	594
Provision for sundry risks (personnel)	5.400	1.507	813	292	382	110	(2.016)	(581)	4.579	1.328
Impairment of equity investments	-	-	229	66	-	-	-	-	229	66
Warehouse write-downs	700	168	-		-	-	(700)	(168)	-	-
Release of deferred income	1.177	329	(50)	(4)	-	-	(165)	(48)	963	277
Allowance for doubtful accounts exceeding the tax threshold	2.327	558	-	-	-	-	(980)	(235)	1.347	323
Tariff discounts and employee severance indemnities - IFRS	3.107	746	-		173	41	-		3.279	787
Derivatives at fair value N.A. / Rates difference	355	85	(121)	(29)					235	56
Credit for deferred tax assets	**30.168**	**7.332**	**869**	**383**	**555**	**110**	**(4.571)**	**(1.106)**	**27.021**	**6.721**

Deferred tax liabilities	Taxable temporary differences relating to deferred tax liabilities	2024 Tax (a)	Adjust.	2025 Tax (b)	Accruals	2025 Tax (c)	Uses	2025 Tax (d)	Taxable temporary differences relating to deferred tax liabilities	2025 Tax (a+b+c)
Assets area difference	15.141	3.634	(2)	(1)	-	-	(895)	(215)	14.244	3.418
Derivatives at fair value N.A. / Rates difference	-	-	-	-	-	-	-	-	-	-
Debit for deferred tax liabilities	**15.141**	**3.634**	**(2)**	**(1)**	**-**	**-**	**(895)**	**(215)**	**14.244**	**3.418**
Total effect on the income statement				**287**		**110**		**(764)**		**(366)**
Total effect on the statement of financial position				**(29)**						**(29)**

Disclosure on related-party transactions

Intercompany receivables	Trade receivables	Financial receivables	Other non-current financial assets	Sundry receivables	Total
Magis Ambiente S.r.l.	272	1.437	-	92	1.800
V-Reti Spa	3.073	30.764	113.636	2.541	150.015
Magis Calore S.r.l.	605	19.849	-	722	21.177
BLUEOIL Srl	57	-	90	-	147
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	-	-	-	201	201
COGASPIU' Energie Srl	13	-	-	-	13
ECO Tirana	21	648	1.439	-	2.107
Magis Power S.r.l.	1.140	2.039	102.101	1.264	106.544
Global Power Spa	18	-	-	-	18
JUWI DEVELOPMENT 02 SRL	223	11.190	-	-	11.413
JUWI DEVELOPMENT 08 SRL	67	3.314	-	-	3.381
Parcoeolico Carpinaccio Srl	-	-	-	125	125
Parco Eolico Riparbella Srl	-	-	-	208	208
Magis Smart S.r.l.	650	11.507	-	286	12.443
Magis Energia S.p.A.	1.025	-	-	11.471	12.496
Serit	162	8.789	-	-	8.952
Società Intercomunale Ambiente Srl	95	-	-	-	95
S.I.T. Società Igiene Territorio Srl	77	3.797	-	-	3.874
Valore Ambiente Srl	1.089	8	-	236	1.334
Azienda Multiservizi Igiene Ambientale	843	100	14.745	-	843
Acque Veronesi Scarl	1.656	-	-	-	1.656
Total	**11.086**	**93.442**	**232.011**	**17.146**	**353.687**

Intercompany payables	Trade payables	Financial payables	Sundry payables	Total
Magis Ambiente S.r.l.	493	-	292	785
V-Reti Spa	1.113	-	-	1.113
Magis Calore S.r.l.	86	-	216	302
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	32	820	-	852
Magis Power S.r.l.	4	587	48	639
Parcoeolico Carpinaccio Srl	32	5.245	-	5.277
Parco Eolico Riparbella Srl	50	8.057	-	8.107
Magis Smart S.r.l.	149	-	421	570
Magis Energia S.p.A.	2.191	23.402	423	26.017
S.I.T. Società Igiene Territorio Srl	-	-	109	109
Valore Ambiente Srl	2.280	4.790	-	7.070
Azienda Multiservizi Igiene Ambientale	36	-	11	47
Acque Veronesi Scarl	7	-	-	7
Total	**6.473**	**42.902**	**1.519**	**50.894**

Analysis of sales and intercompany services	Revenue from sales and services	Other revenue and income	Total
Magis Ambiente S.r.l.	910	55	965
V-Reti Spa	11.401	128	11.530
Magis Calore S.r.l.	2.103	21	2.124
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	99	-	99
COGASPIU' Energie Srl	276	3	279
ECO Tirana	21	-	21
Magis Power S.r.l.	2.767	25	2.792
Parcoeolico Carpinaccio Srl	27	-	27
Parco Eolico Riparbella Srl	24	-	24
Magis Smart S.r.l.	2.878	32	2.910
Magis Energia S.p.A.	9.810	124	9.934
Serit S.r.l.	76	-	76
Società Intercomunale Ambiente Srl	95	-	95
S.I.T. Società Igiene Territorio Srl	64	-	64
Valore Ambiente Srl	1.141	400	1.541
Acque Veronesi Scarl	3.300	205	3.505
Total	**34.992**	**993**	**35.986**

Costs of intercompany production	Costs for raw materials	Costs for services	Use of third-party assets	Other operating costs	Total
Magis Ambiente S.r.l.	-	866	1	-	867
V-Reti Spa	21	1.617	-	(3)	1.634
Magis Calore S.r.l.	-	153	-	-	153
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	-	3	-	-	3
Magis Power S.r.l.	-	171	-	-	171
Magis Smart S.r.l.	8	230	-	37	275
Magis Energia S.p.A.	2.200	477	-	60	2.737
Valore Ambiente Srl	-	22.668	-	-	22.668
Acque Veronesi Scarl	-	44	-	18	62
Total	**2.229**	**26.229**	**1**	**112**	**28.570**

Intercompany financial income and expenses	16) other financial income	17) interest and other financial expenses
Magis Ambiente S.r.l.	117	-
V-Reti Spa	5.346	-
Magis Calore S.r.l.	591	-
BLUEOIL Srl	8	-
Consorzio Canale Industriale Giulio Camuzzoni di Verona Scarl	-	50
ECO Tirana	101	-
Magis Power S.r.l.	784	91
JUWI DEVELOPMENT 02 SRL	386	-
JUWI DEVELOPMENT 08 SRL	121	-
Parcoeolico Carpinaccio Srl	-	61
Parco Eolico Riparbella Srl	-	101
Magis Smart S.r.l.	141	-
Magis Energia S.p.A.	128	801
Serit	230	-
S.I.T. Società Igiene Territorio Srl	132	-
Valore Ambiente Srl	-	163
Azienda Multiservizi Igiene Ambientale	633	
Acque Veronesi Scarl	**8.718**	**1.267**
Total		

Transactions with related parties (Magis Group companies) were conducted on an arm's length basis and under normal market conditions.

Significant events after the reporting period

See the comments in the notes to the consolidated financial statements.

Proposal for allocation of profits

Dear Shareholders, while confirming that the preparation of the draft financial statements of Magis S.p.A. for the year ended 31 December 2025 has been carried out in accordance with the provisions of the Italian Civil Code, as interpreted and integrated by International Financial Reporting Standards, we hereby invite you to approve the financial statements comprising the statement of financial position, the income statement, the statement of cash flows, the explanatory notes and the Report on Operations, reporting a net profit of Euro 30,012 thousand, with the following proposal for the appropriation of profit for the year:

- Euro 29,200,000 as dividends;
- Euro 203,708 for the remeasurement of investments valued under the equity method;
- Euro 608,292 carried forward.

These financial statements, consisting of the statement of financial position, the income statement and the notes thereto, give a true and fair view of the financial position and results of operations for the year and correspond to the accounting records.

Verona, 20 April 2026

The Chairperson
of the Board of Directors
Federico Testa

Report of the Board of Statutory Auditors

Report of the Board of Statutory Auditors to the Shareholders' Meeting on the approval of the financial statements for the year ended 31 December 2025, prepared pursuant to Article 2429, paragraph 2, of the Italian Civil Code.

To the Shareholders of MAGIS S.p.A. (formerly AGSM AIM S.p.A.)

During the financial year ended 31 December 2025, our activities were carried out in accordance with the provisions of law and the Rules of Conduct for the Board of Statutory Auditors of non-listed companies issued by the Italian National Council of Chartered Accountants and Accounting Experts.

By means of this report, we inform you of the activities performed and the results achieved.

The financial statements of Magis S.p.A. as at 31 December 2025, prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), which govern their preparation, showing a profit for the year of Euro 30,011,908, have been submitted for your review. The financial statements were made available to us within the statutory time limits.

As the Board of Statutory Auditors is not entrusted with statutory audit activities, it carried out the supervisory activities on the financial statements required under Rule 3.8 of the "Rules of Conduct for the Board of Statutory Auditors of non-listed companies", consisting of an overall summary review aimed at verifying that the financial statements had been properly prepared. Responsibility for verifying the consistency with the accounting records is, in fact, the responsibility of the statutory auditor.

The independent auditors, BDO Italia S.p.A., provided us with their report dated 5 May 2026 expressing an unqualified opinion.

Therefore, according to the report issued by the independent auditors, the financial statements at 31 December 2025 give a true and fair view of the Company's financial position, operating results and cash flows and have been prepared in compliance with the applicable financial reporting framework.

1) Supervisory activities pursuant to Articles 2403 and following of the Italian Civil Code

We monitored compliance with the law and the articles of association, adherence to the principles of sound management and, in particular, the adequacy of the Company's organisational, administrative and accounting structure and its effective operation.

We attended shareholders' meetings and meetings of the Board of Directors and, on the basis of the information available, we have no particular matters to report.

During the meetings held, we obtained information from management on the overall trend of operations and its expected development, as well as on the most significant transactions carried out by the Company and its subsidiaries by virtue of their size or characteristics and, based on the information received, we have no observations to make.

We promptly exchanged relevant data and information with the independent auditors for the performance of our supervisory duties.

We monitored the adequacy of the organisational, administrative and accounting arrangements and their effective operation, also through discussions with the heads of the relevant departments; in this regard, no particular issues arose.

Within the limits of our remit, we also supervised the adequacy and functioning of the administrative and accounting system, and its reliability in correctly representing management events, through discussions with departmental managers and examination of corporate documentation; no particular observations arose in this respect.

We obtained information from the Supervisory Body and no issues emerged concerning the proper implementation of the organisational model that would require disclosure in this report.

No complaints were submitted by shareholders pursuant to Articles 2408 or 2409 of the Italian Civil Code.

We did not file any petition with the Court pursuant to Article 2409 of the Italian Civil Code.

No notifications were made to the management body pursuant to Article 25-octies of Legislative Decree No. 14 of 12 January 2019.

We did not receive any notifications from the statutory auditors pursuant to Article 25-octies of Legislative Decree No. 14 of 12 January 2019.

We did not receive any notices from public creditors pursuant to Article 25-novies of Legislative Decree No. 14 of 12 January 2019.

During the financial year, the Board of Statutory Auditors did not issue any opinions or comments required by law.

During the supervisory activities described above, no further significant matters arose that would require mention in this report.

2) Observations regarding the annual financial statements

We verified that the Directors declared compliance with the applicable accounting standards governing the preparation of the financial statements.

According to the report issued by the independent auditors, "the financial statements present fairly, in all material respects, the financial position of Magis S.p.A. at 31 December 2025, as well as its financial performance and cash flows for the year then ended, in accordance with Italian accounting regulations governing their preparation."

To the best of our knowledge, the Directors, in preparing the financial statements, did not make use of any derogations from the law pursuant to Article 2423(5) of the Italian Civil Code.

3) Observations and proposals regarding the approval of the financial statements

In light of the results of our supervisory activities and the opinion expressed in the audit report issued by the independent auditors, we have identified no reasons preventing the Shareholders from approving the financial statements for the year ended 31 December 2025, as prepared by the Directors.

The Board of Statutory Auditors agrees with the directors' proposal for the distribution of the profit for the year, as set out in the explanatory notes.

Verona, 5 May 2026

The Board of Statutory Auditors

Cinzia Giaretta

Alberto Mion

Silvia Zenati

Independent Auditor's Report on the Separate Financial Statements

Magis S.p.A. (formerly AGSM AIM S.p.A.)

Independent auditor's Report
pursuant to article 14 of
Legislative Decree n. 39, dated
January 27, 2010 and article 10 of
EU Regulation n. 537/2014

Financial Statements as at
December 31, 2025

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

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Via Ludovisi, 16
00187 Roma

Independent auditor's Report
pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

To the shareholders of
Magis S.p.A. (formerly AGSM AIM S.p.A.)

Report on the financial statements

Opinion

We have audited the financial statements of Magis S.p.A. (formerly AGSM AIM S.p.A.) (the "Company"), which comprise the statement of financial position as at December 31, 2025, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including material information on the accounting policies.

In our opinion the financial statements give a true and fair view of the financial position of the Company as at December 31, 2025 and of its financial performance and its cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative Decree No. 38/'05.

Basis for opinion

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

We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	Audit response
Valuation of investments *Note 3 "Equity investments"* The Company accounted for as at December 31, 2025 equity investments in subsidiaries, associates and others for Euro 635,531 thousand. Investments in subsidiaries and others are initially recognised at cost, while investments in associates are accounted using the equity method. In the event of impairment, the value of the investments is written down. For investments in subsidiaries that have an higher carrying amount than the corresponding fraction of d Shareholders' Equity and, for other investments, whenever the presence of specific impairment indicators is detected, an impairment test is conducted. The recoverable value of the equity investments has been determined on the basis of the current value of the corresponding expected net cash flows attributable to the investee companies, consistent with those used for the CGU impairment test, as deduced from 2025-2030 business plan, which integrates forward-looking assumptions, including the expected effects arising from risks associated with climate change, carried out by Group Management, in the Consolidated Financial Statements. The same applies to the methodological approach, the basic assumptions and the discount rates adopted. We have focused on this matter due to the significance of its amount, the complexity of its valuation process and the assessment of related impairment and the uncertainty related to the underlying business plan.	Our main audit procedures performed, also with the support of evaluation models specialists belonging to the network BDO, included the following: ▪ analysis of the movements of the item during the year and examination of the most significant acquisition, sales and adjustments for impairment or revaluation; ▪ verification of the correct classification and accounting policy; ▪ identification of investments characterized by impairment indicators; ▪ obtaining the financial statements of the investments as at December 31, 2025 and the related auditors' reports; ▪ assessment of the expertise, capacity and objectivity of the independent expert appointed by the Directors for the preparation of the impairment test; ▪ assessment of the adequacy of the impairment test model; ▪ assessment of the reasonableness of the key underlying assumptions for 2025-2030 business plan, which integrates forward-looking assumptions, including the expected effects arising from risks associated with climate change, also based on the actual results compared to the estimates; ▪ assessment of the key underlying assumptions used as basis of the impairment test model, in particular the ones related to cash flow projections, discount rates, future growth rates; ▪ verification of the clerical accuracy of the impairment model; ▪ check of the sensitivity analysis of impairment when key assumptions change; ▪ verification of the disclosures provided in the notes including the expected effects arising from risks associated with climate change.

BDO

Valuation of assets under concession

Note 1 "Intangible assets"

The Company accounted for as at December 31, 2025 Assets under concession for Euro 48,579 thousand.

The infrastructures used, recognized on the "intangible asset model" basis, have been subject to impairment test.

These assets are considered to be significant for our audit due to its balance and the inherent subjectivity judgement and complexity of Company's Management process on estimation based on IFRIC12.

Our main audit procedures performed, also with the support of evaluation models specialists belonging to the network BDO, included the following:

- assessment of the expertise, capacity and objectivity of the independent expert appointed by the Directors for the preparation of the impairment test;
- assessment of the adequacy of the impairment test model;
- assessment of the key underlying assumptions used as basis of the impairment test model;
- verification of the clerical accuracy of the impairment model;
- check of the sensitivity analysis of impairment when key assumptions change;
- verification of the disclosures provided in the notes to the financial statements.

Responsibilities of the Directors and the Board of statutory auditors (Collegio sindacale) for the Financial Statements

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

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

The Board of statutory auditors has the responsibility, in compliance with the applicable legislation, for the supervision of the monitoring financial reporting process of the Company.

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 ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also 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;
- 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;
- evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- 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 modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- 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, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We described those matters in the auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) n. 537/2014

We were initially engaged by the shareholders meeting of Magis S.p.A. (formerly AGSM AIM S.p.A.) on June 24, 2021 to perform the audits of the financial statements and group consolidated financial statements of each fiscal year starting from December 31, 2021 to December 31, 2029.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) n. 537/2014, and that we remained independent of the company in conducting the audit.

We confirm that the opinion on the financial statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n. 537/2014, submitted to the Board of Statutory auditors.

Report on other legal and regulatory requirements

Opinion and statement pursuant to article 14, paragraph 2, letter e), e-bis) and e-ter), of Legislative Decree n. 39/'10 and article 123-bis, paragraph 4, of Legislative Decree n. 58/'98

The directors of Magis S.p.A. (formerly AGSM AIM S.p.A.) are responsible for the preparation of a directors' report on operations which includes the paragraph "Report on risk management and internal control systems - Italian Legislative Decree 58/98" in which are reported only the information concerning the principal characteristics of the existing risk management and internal control systems connected with the financial reporting process of Magis S.p.A. (formerly AGSM AIM S.p.A.) as at December 31, 2025, including their consistency with the related financial statements and their compliance with the applicable law.

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

In our opinion, the report on operations and the specific information presented in the same report relating to corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/'98 are consistent with the financial statements of Magis S.p.A. (formerly AGSM AIM S.p.A.) at December 31, 2025.

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

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/'10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

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

Roma, May 5, 2026

BDO Audit Services S.r.l.

Signed by:
Alessandro Fabiano
Partner

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

Green Bond Report

December 2025

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1. Summary of the Green Financing Framework

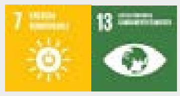
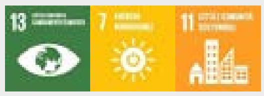
The bond issue was based on the Green Financing Framework (hereinafter also the "Framework") adopted by Magis S.p.A. (formerly AGSM AIM S.p.A. and hereinafter also "Magis" only) and published in June 2024 to promote transparency and confirm the Group's commitment to green bonds and sustainable finance.

On 7th June 2024, Sustainalytics (Morningstar), provided a Second Party Opinion (SPO) attesting to the credibility and impact of Magis' Green Financing Framework, prepared in line with the four core components of the 2021 Green Bond Principles (with June 2022 Appendix) administered by ICMA[1] (GBP), and the 2023 Green Loan Principles managed by LMA, APLMA and LSTA[2] (GLP). The SPO is available on Magis' website[3].

In line with the Framework, the Company intends to issue green loans and bonds through public or private placements[4] and use the proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to support the transition to a low-carbon economy and create positive environmental impacts in Italy..

1.1. Use of proceeds

The Framework distinguishes the eligibility criteria into four categories, as shown in the table below.

Eligible green category	Eligibility criteria	Related SDGs
RENEWABLE ENERGY	Investments and expenses for the construction, maintenance, acquisition and/or management of renewable energy projects and auxiliary technical equipment, with the aim of increasing the Group's capacity and/or production and promoting the energy transition.	
ENERGY EFFICIENCY	Investments and expenses relating to energy efficiency projects aimed at installing systems or products to reduce energy consumption, improve the energy efficiency mix or mitigate greenhouse gas emissions.	
CLEAN TRANSPORTATION	Investments and expenses relating to the construction, development, management, acquisition and/or maintenance of infrastructure promoting sustainable mobility with a lower environmental impact.	
POLLUTION PREVENTION AND CONTROL	Investments and expenses relating to the construction, development, maintenance and/or operation of facilities and projects that make a substantial contribution to the transition to a circular economy, reducing greenhouse gas emissions and facilitating waste prevention and recovery.	

As indicated in the Framework, the Eligible Green Projects may include capital expenditure, research and development, operating expenses and the acquisition solely of assets or companies that derive at least 90% of their revenue from activities that meet the eligibility criteria set out in the Framework.

The criteria for the selection of the Green Projects were defined, with the utmost possible diligence, in line with the EU Taxonomy Regulation[5] , in particular with the criteria for Substantial Contribution to Climate Change Mitigation (CCM), as established in the Climate Change Mitigation Delegated Acts[6] .

1 ICMA (2021). Green Bond Principles: Voluntary Process Guidelines for Issuing Green Bonds, June 2021 (with June 2022 Appendix 1). Available at: https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/

2 APLMA, LMA, LSTA, (2023), Green Loan Principles, February 2023: https://www.lma.eu.com/application/files/4716/7715/0338/Green_Loan_Principles_23_February_2023.pdf

3 https://www.gruppomagis.it/investitori/green-financing-framework

4 Magis informed Sustainalytics that private placements will not include the sale of shares to investors.

5 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. Available at: http://data.europa.eu/eli/reg/2020/852/oj

6 Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the Technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. Available at: http://data.europa.eu/eli/reg_del/2021/2139/oj

1.2. Project assessment and selection process

IThe main investment projects included in Magis' Business Plan, in order to be considered sustainable, were assessed using a cost-benefit analysis method that includes environmental and social indicators.
A dedicated Green Finance Committee (hereinafter also the "GF Committee") was established, comprising[7] the following managers operating at the Parent Company:

- Chief Executive Officer, as chairperson;
- Business Development Director;
- Director Finance & Control;
- Director of Legal Affairs;
- Market & Digital Transformation Director;
- People Transformation Director;
- Planning, Control and Risk Management Director;
- Power & Smart Infrastructures Director;
- Head of the Parent Company's Risk Management function and ESG, acting as secretary;

With regard to sustainable finance, the GF Committee carries out an annual review, with responsibility for:

- reviewing, assessing and selecting the Eligible Green Projects;
- regularly monitoring the portfolio of Eligible Green Projects to ensure that the eligibility criteria continue to be met and that they are not subject to major ESG controversies;
- excluding projects that no longer meet the eligibility criteria, or that have been postponed, cancelled, disposed of or are the subject of significant ESG controversies, and replacing them as soon as possible;
- defining the appropriate impact metrics and related KPIs that best describe the environmental benefits in accordance with the eligibility criteria;
- overseeing internal processes to identify known material risks of negative social and/or environmental impacts related to the Eligible Green Projects, and the appropriate mitigation measures where possible;
- validation of the allocation and impact reporting process;
- reviewing the content of Magis' Green Financing Framework and validating any amendments to the document in line with market or regulatory developments and the Group's sustainability strategy.

The selected projects are aligned with the environmental objectives approved by Magis as part of its overall sustainability strategy, as well as with the criteria of one or more eligible green categories set out in the "Use of Proceeds" section of the Framework.

The reporting criteria (allocation and impact, including the relevant metrics) are prepared consistently with the Green Financing Framework and were reviewed and approved by the Green Finance Committee.

7 Compared to what is stated in the Green Financing Framework published in June 2024, the composition of the Green Finance Committee was reviewed and updated following the corporate reorganisation introduced during the fourth quarter of 2024 at the Parent Company.

1.3. Management of proceeds

The net proceeds from the green financing instruments were monitored internally, and an amount equivalent to them was allocated to the portfolio of Eligible Green Projects.
The Company's Finance & Control Department – Treasury Office allocated the proceeds from the financing instrument to the companies in charge of the projects through intragroup financing or equity, with the aim of funding the disbursements relating to the Eligible Green Projects carried out by Magis' subsidiaries.
Pending full allocation to the Eligible Projects, Magis invested the balance of the issuance proceeds at its discretion, in accordance with its liquidity management policy, including cash or cash equivalents, overnight financial instruments or other short-term financial instruments tradable in liquid markets, with low or non-significant risk, and which will not include underlying assets with high greenhouse gas intensity. In the event that a project is postponed or fails to comply with the evaluation and selection criteria, Magis undertakes to allocate the proceeds to other projects that meet the eligible green categories as soon as reasonably possible.
Magis undertakes to use its best efforts to achieve full allocation of the proceeds within two years of the issuance of a green financing instrument.
The Green Finance Committee oversees the monitoring of the proceeds from sustainable financing instruments.

1.4. Reporting

Magis reports annually, and until maturity, on the allocation of the proceeds from sustainable financing instruments issued under this Framework and on the related project impacts, at least at category level. The reporting is available on the Company's website (www.gruppomagis.it) and in the Sustainability Report section of the 2025 Annual Financial Report and is reviewed by an independent external auditor.

2. Allocation reporting

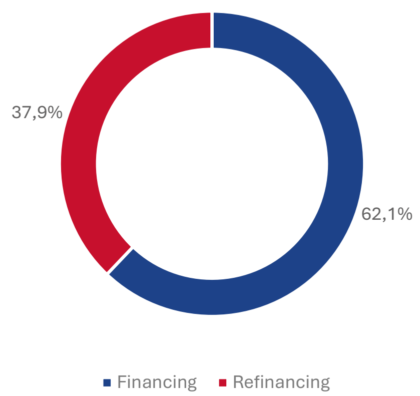
The Gruppo Magis sustainable financing instruments relate to:

- the first green bond issued in August 2024 (so-called Green Bond) for a total amount of Euro 46,000,000.00;
- the second green bond issued in June 2025 (so-called Series A Notes) for a total amount of Euro 50,000,000.00.

The net proceeds amount to a total of Euro 96,000,000.00 and were fully allocated to the financing of Eligible Green Projects that contribute to achieving the environmental objectives integrated into the Group's Sustainability Strategy.
The relevant details of the bonds issued are set out in the table below.

Issue ref.	2024 Green Bond	2025 Series A Notes
ISIN code	XS2856134858	XS3106068714
Common code	2856134858	3106068714
Net proceeds	€ 46.000.000,00	€ 50.000.000,00
Face value	€ 46.000.000,00	€ 50.000.000,00
Issue date	7 agosto 2024	26 giugno 2025
Maturity date	7 agosto 2031	26 giugno 2037
Issue price	100%	100%
Fixed-rate interest	5,537% per annum	4,57% per annum

The net proceeds from the issuance of the above bonds are used to finance or refinance, in whole or in part, new or existing Eligible Green Projects, in line with the Green Financing Framework. In particular, the proceeds from the bonds financed a total of 7 projects, using 37.9% of the proceeds to refinance the projects (equal to Euro 37,456 thousand of investment expenditure relating to the 2022 and 2023 financial years) and 62.1% to finance them (equal to Euro 61,243 thousand of investment expenditure relating to the 2024 and 2025 financial years); the residual amount of the investments, equal to Euro 2.7 million, was self-financed and/or financed using other forms of financing not directly attributable to the Framework. The total value of the investments implemented to date and subject to reporting amounts to Euro 98.7 million as at 31 December 2025.



As indicated in the Framework, Eligible Green Projects are expenditures incurred: (i) up to two financial years prior to the year of issuance; (ii) during the same reference financial year in which the issuance took place; (iii) up to two financial years after the year of issuance.

Eligible Projects were reviewed, selected, assessed and approved by the GF Committee in relation to Magis' Sustainability Strategy and Green Finance Framework. Where applicable, the projects are aligned with the EU Taxonomy Regulation, in particular by complying with the Technical screening criteria, the DNSH principle, the Minimum safeguards and applicable national and international laws and regulations.
The Allocation Summary is shown in the table below.
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#	Project / Asset	Taxo[8]	2022	2023	2024	2025	Total	%
Energia Rinnovabile								
1	No. 3 photovoltaic systems	4.1	-	10.876	984	-	**11.860**	*12,0%*
2	(Borgonovo, Calendasco, Carlino)	4.1	-	-	-	3.632	**3.632**	*3,7%*
3	Photovoltaic plant – Sirio	4.1	-	-	-	3.650	**3.650**	*3,7%*
4	Photovoltaic plant – Vega	4.3	-	-	-	34.868	**34.868**	*35,3%*
5	Wind plant – Delsis	4.3	-	-	-	4.921	**4.921**	*5,0%*
Efficienza energetica								
6	Replacement of 2G smart meters for the distribution of electricity	4.9	6.406	7.053	6.074	1.421	**20.954**	*21,2%*
Prevenzione e controllo dell'inquinamento								
7	Biomethane production plant (Ca' del Bue - VR)	5.7	11.479	1.642	5.107	586	**18.814**	*19,1%*
TOTAL			**17.885**	**19.571**	**12.165**	**49.078**	**98.699**	***100,0%***

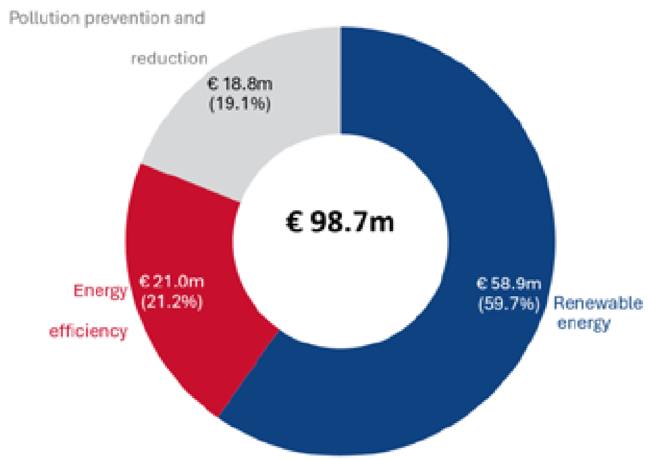
8 Under the European Taxonomy (EU Regulation 2020/852 of the European Parliament and of the Council, of 18 June 2020), the coding of the environmentally sustainable activities shown in the table is as follows
- 4.1 Generation of electricity using solar photovoltaic technology;
- 4.3 Generation of electricity from wind power;
- 4.9 Transmission and distribution of electricity;
- 5.7 Anaerobic digestion of organic waste.

3. Impact reporting

This section presents the KPIs relating to the environmental benefits arising from the portfolio disbursed through the Green Financing Instruments issued, up to maturity. In most cases, the environmental indicators linked to each project are those calculated during the project assessment phase, i.e. expected impacts, and where possible ex-post measurements are provided.

As indicated in the GF Framework, with the utmost possible diligence, the impact report is aligned with the portfolio approach described in the ICMA "Harmonised Framework for Impact Reporting" of June 2024[9] .

When reporting on the results identified, Magis may select alternative quantitative or qualitative Key Performance Indicators ("KPIs"), in order to remain relevant to the selected eligible green assets. For all Eligible activities, Magis may supplement additional qualitative or quantitative indicators as deemed appropriate to disclose performance or relevant details.



3.1. Renewable energy

The most significant portion of the proceeds from the two bonds issued was used to increase the installed capacity dedicated to the production of renewable energy of the Magis Group. Specifically, the projects implemented relate to five photovoltaic plants and two wind plants of the Power Business Unit, for a total installed capacity of 57.6 MW (of which 27.2 MW photovoltaic and 30.4 MW wind), representing 24.8% of the Group's installed capacity for the generation of electricity from renewable sources as at 31 December 2025.

The projects relating to the solar parks completed in 2024 consist of the installation of three single-axis tracking photovoltaic plants: two of them are located in Piacenza and the other in the province of Udine, with a total installed capacity of 12.2 MW. Estimated steady-state production is approximately 17.3 GWh per year, able to meet the average consumption of approximately 6,407 households[10] . The three photovoltaic plants required an investment including the costs relating to the acquisition of the necessary authorisations and the right of surface for 30 years. All three photovoltaic plants have access to the GSE (Gestore Servizi Energetici) incentive pursuant to the DM FER 04/07/2019 in relation to the sale of the energy supplied.

With a total capacity of 15.0 MW, the non-incentivised photovoltaic plants called Sirio and Vega were added to the plant portfolio of the Power Business Unit through the acquisition, in October 2025, of 100% of the share capital of the special purpose vehicles of the same name held by the designer and contractor (Iniziative Bresciane Partecipazioni S.p.A.). The plants are located in the Province of Piacenza, close to other photovoltaic plants already owned by the Power Business Unit. Annual production of clean electricity, estimated at approximately 25,000 MWh, is able to cover the energy needs of over 9,000 households.

9 ICMA (2024), Handbook - Harmonised Framework for Impact Reporting, June 2024. Available at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf

10 Estimate developed on the basis of vulnerable customers under Maggior Tutela with consumption of approximately 2,700 kWh/year and contracted capacity of 3 kW. For further information, please refer to the Authority's website at the following link: https://www.arera.it/dati-e-statistiche/dettaglio/aggiornamenti-delle-condizioni-di-tutela-elettricita?ADMCMD_prev=LIVE

Lastly, the plant portfolio of the Power Business Unit grew further in November 2025 with the addition of two wind farms (30.4 MW of nominal capacity), located in the Province of Foggia and called Delsis and Mafredonia, through the acquisition of 100% of the share capital of the respective special purpose vehicles held by their respective designers and contractors (Gruppo AREN Electric Power S.p.A. and Sistemi Energetici S.p.A.).

Impact KPIs	Unit of measurement	FY 2024	FY 2025
Renewable energy produced	MWh	1.330	23.386,5
Avoided emissions[11]	t CO2eq	562	9.878

3.2. Energy efficiency

The Networks BU has a meter replacement plan developed over a 15-year period, which overall includes over 292 thousand replacements.

During FY 2025, V-Reti, the Group's Networks BU, continued the activity of replacing and upgrading electricity meters. The meter replacement programme will provide prompt and accurate consumption measurement, make it easier for end users to monitor usage, reduce adjustment charges and enhance service quality.

The Commissioning Plan of the 2G smart metering system (PMS2) designed by V-Reti complies with the functional specifications defined by ARERA with resolution 87/2016/R/eel, adopted in implementation of the provisions of Italian Legislative Decree no. 102 of 4 July 2014, which transposes European Directive 2012/27/EU on energy efficiency and improvement for the entire national electricity system.

Impact KPIs	Unit of measurement.	FY 2024	FY 2025
No. of 2G meters installed	n.	260.527	266.369
% 2G smart meters installed / total meters	%	89,0%	91,1%
Active 2G meters	n.	239.501	243.843

3.3. Pollution Prevention and control

In 2024, the Magis Group completed the construction of the anaerobic digestion and biomethane production plant at the Ca' del Bue plant hub in Verona, which will contribute to reducing disposal to landfill, producing a composted soil improver rich in organic matter to be reintroduced into the biological cycle (circular economy) and recovering energy through the production of fully renewable biomethane. During FY 2025, the process of progressively ramping up and technically testing the plant (in provisional operation as at 31 December 2025) was initiated, with the related calibration of the systems.

Pursuant to the authorisation received, the plant will make it possible to treat up to a maximum of 40,000 tonnes per year of the Organic Fraction of Municipal Solid Waste (so-called FORSU) through an anaerobic digestion process. In addition, the biodigester will be able to produce up to three million standard cubic metres (s.c.m) per year of biomethane. The biomethane produced by the plant will be certified as sustainable, pursuant to UNI/TS 11567:2024, and will therefore join the National Sustainability Certification System for biofuels under Italian Ministerial Decree 7 August 2024, contributing to the achievement of the national targets of the RED II Directive on the reduction of CO2 emissions in the transport sector.

During FY 2025 (first full year of provisional operation), the biomethane produced at the Ca' del Bue plant and injected into the grid amounted to approx. 926 thousand cubic metres (s.c.m.), thanks to the delivery and treatment of over 16 thousand tonnes of FORSU from the area of the Province of Verona.

Impact KPIs	Unit of measurement	FY 2024	FY 2025
Actual biomethane production	s.m.c.	227.913	925.786
FORSU treated	Tonne	13.717	16.130

11 The emission factor in the electricity sector is that available as at the date of preparation of this document, as indicated by the ISPRA Report 413/2025, for FY 2024 (preliminary data), in relation to Gross thermoelectric production (fossil fuels only), equal to 422.4 g CO2/kWh.

4. Independent Auditor’s on the Green Bond Report

MAGIS S.p.A (formerly AGSM AIM S.p.A.)

Independent auditors’ report on the sections “Allocation reporting” and “Impact reporting” of the Green Bonds Report
December 2025

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Via Ludovisi, 16
00187 Roma

Independent auditors' report on the sections "Allocation reporting" and "Impact reporting" of the Green Bonds Report December 2025

To the Board of Directors of MAGIS S.p.A (formerly AGSM AIM S.p.A.)

We have been engaged to perform a limited assurance engagement on the sections "Allocation reporting" and "Impact reporting" for the periods ending on December 31,2025 included in the Green Bond Report December 2025 of MAGIS S.p.A. (formerly AGSM AIM S.p.A.) (the "Company") (the "Report"). The Report has been prepared by the Company in accordance with the criteria established in the Green Financing Framework" (the "Framework") issued in June 2024.

Directors 's Responsibility for the Report

The Directors are responsible for the preparation of a Report in accordance with the criteria contained in the Framework. The Framework is prepared by the Directors in accordance with the Green Bond Principles of June 2021(with June 2022 Appendix) administered by the ICMA ("GBP"), and Green Loan Principles 2023, as administered by LMA, APLMA, and LSTA ("GLP").

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of an Allocation Report that is free from material misstatement, whether due to fraud or error.

Auditors' Independence and quality management

We are independent in compliance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (*including International Independence Standards) (IESBA Code*) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, [IQM1 Italia], which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion on the on the sections "Allocation reporting" and "Impact reporting" included in the Report based on the procedures performed. We performed our work in accordance with the criteria established in the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires that we plan and perform our procedures to obtain limited assurance whether the sections "Allocation reporting" and "Impact reporting" included in the Report are free from material misstatement.

The procedures performed in a limited assurance engagement are less in extent than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed were based on our professional judgement and included inquiries, primarily of the company's personnel responsible for the preparation of the Allocation Report, inspection of documents, recalculations, reconciling with underlying records and other evidence gathering procedures, as deemed appropriate in the circumstances.

Specifically, we carried out the following main procedures:

- analysis of the Green Bond Frameworks adopted by MAGIS S.p.A. (formerly AGSM AIM S.p.A.) and the Second Party Opinion, which includes the assessment of the compliance of the Frameworks with the Green Bond Principles defined by ICMA and the Green Loan Principles managed by the LMA, the APLMA and the LSTA and of the applicability of the "eligible green categories" for the purposes of apportioning proceeds and defining environmental impacts;
- interviews with the relevant company functions of MAGIS S.p.A. (formerly AGSM AIM S.p.A.) in order to understand the criteria and processes underlying the identification of Eligible Green Projects and the generation, identification and management of significant qualitative and quantitative information included in the sections "Allocation reporting" and "Impact Reporting" of the Report;
- analysis of the structure and implementation of reporting processes relating to the use of processes and environmental benefits of the Green Bond;
- verification of the quantitative data included in the sections "Allocation reporting" and "Impact reporting" of the Report through sampling carried out through documentation collection and analysis, in order to verify the consistency of the information included in the sections "Allocation reporting" and "Impact reporting" of the Report with the "Green Financing Framework";
- obtaining the representation letter relating to the accuracy and completeness of the information included in the Report and that provided to us.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the sections "Allocation reporting" and "Impact reporting" included in the Green Report December 2025 of MAGIS S.p.A. (formerly AGSM AIM S.p.A.) have not been prepared, in all material respects, in compliance with the criteria established in the Green Financing Framework.

Rome, 5 May 2026

BDO Audit Services S.r.l.

Signed in the original by

Alessandro Fabiano

Partner

This independent auditors' limited assurance report has been translated into English language from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

magis