



Management Report on the Financial Statements at 31/12/2024

Registered office: Via I. Cocchi, 14 – 52100 AREZZO (AR)

Administration office: Viale Toselli, 9/A – 53100 SIENA (SI)

Administration office: Via U. Panziera, 16 – 59100 PRATO (PO)

Share Capital € 249,000,000 fully paid up

Tax Code, VAT and entry number in the Companies Register of Arezzo: 02166820510 – Economic and Administrative Index (REA) no. 166736

Corporate bodies

Board of Directors

Chairman

Roberto Rappuoli

Chief Executive Officer

Riccardo Matteini

Deputy Chairman

Giulia Barbiera

Directors

Enio Marchei

Claudia Cerreti

Andrea Porcaro D'Ambrosio

General Manager

Riccardo Matteini

Board of Statutory Auditors

Chairman

Athos Vestrini

Standing Auditors

Daniele De Sanctis

Fiorenza Arrigucci

Alternate Auditors

Roberto Dragoni

Sabrina Bianchini

Auditing company

PricewaterhouseCoopers S.p.A.

CONTENTS

1 INCORPORATION OF CENTRIA S.r.l.	4
2 CORPORATE PURPOSE and MISSION	5
3 THE REGULATORY AND TARIFF FRAMEWORK	7
3.1 Tenders for the gas distribution service	7
3.2 Tariff aspects	8
3.3 Integrated Information System (IIS)	8
3.4 Gas Settlement	9
3.5 Energy efficiency	9
4 THE GAS DISTRIBUTION SECTOR	11
5 SIGNIFICANT EVENTS DURING THE 2024 FINANCIAL YEAR	12
6 OPERATIONAL PERFORMANCE RELATED TO GAS VOLUMES AND BUSINESS DEVELOPMENT	12
6.1 Operating performance of the LPG Division	14
7 HUMAN RESOURCES, TRADE UNION RELATIONS, TRAINING, UPGRADING AND QUALIFICATION	15
8 QUALITY, SAFETY, THE ENVIRONMENT – INTEGRATED BUSINESS MANAGEMENT SYSTEMS	17
9 PROCESSING OF PERSONAL DATA	20
10 ADMINISTRATIVE LIABILITY (ITALIAN LEGISLATIVE DECREE 231/2001)	22
11 MAIN ECONOMIC DATA – SUMMARY OF ECONOMIC OPERATIONS	23
11.1 Income statement and profitability indices	23
11.2 Costs	24
11.3 Revenue	24
12 MAIN BALANCE SHEET DATA	25
13 MAIN FINANCIAL DATA	26
13.1 Investments	26
13.2 Research and development	26
14 RELATIONS WITH THE PARENT COMPANY ESTRA S.P.A., ALIA S.P.A. AND OTHER GROUP COMPANIES	28
15 ECONOMIC RELATIONS WITH CONCESSIONARY MUNICIPALITIES OF THE DISTRIBUTION SERVICE	31
16 OWN SHARES/PARENT COMPANY SHARES	32
17 INFORMATION PURSUANT TO ART. 2428, PARAGRAPH 2, POINT 6-BIS OF THE ITALIAN CIVIL CODE	32
18 SECONDARY OFFICES AND LOCAL UNITS	32
19 COMPANY RISKS AND RISK MANAGEMENT POLICIES – ALLOCATIONS TO PROVISION FOR RISKS AND CHARGES	33
20 STRATEGIC OBJECTIVES AND BUSINESS OUTLOOK	38
21 PROPOSALS OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING	41
FINACIAL STATEMENTES AS OF DECEMBER 31, 2024	42
SCHEDULES	43
ILLUSTRATIVE NOTES	48
INDEPENDENT AUDITOR'S REPORT	105

The financial year ended 31/12/2024 shows a profit of € 6,643,368.

1 INCORPORATION OF CENTRIA S.R.L.

With resolution of 18 October 2013, the Board of Directors of Estra S.p.A. approved the incorporation of **Centria S.r.l.** (hereinafter only Centria). At the same meeting, the assets and liabilities intended to make up the business unit were also defined in principle.

Centria was created with the specific target of developing and carrying out the following activities:

- natural gas distribution;
- distribution and marketing of LPG;
- carry out minor activities.

On 22 October 2013, Centria was initially incorporated with a share capital of € 10,000.00 and was temporarily managed by a Sole Director.

Centria's Articles of Association were drawn up to meet the regulatory unbundling requirements, as governed by the Italian Electricity and Gas Authority ("Autorità per l'Energia Elettrica ed il Gas" – AEEG), and to include all the activities that would be transferred to the business unit. The transfer became effective from 1 January 2014.

At 31 December 2024, Centria's share capital was € 249,000,000.

Therefore, Centria brings together the Group's activities in the natural gas distribution sector and in the distribution and marketing of LPG. The scope of the business unit transferred from E.S.T.R.A. S.p.A. is summarised as follows:

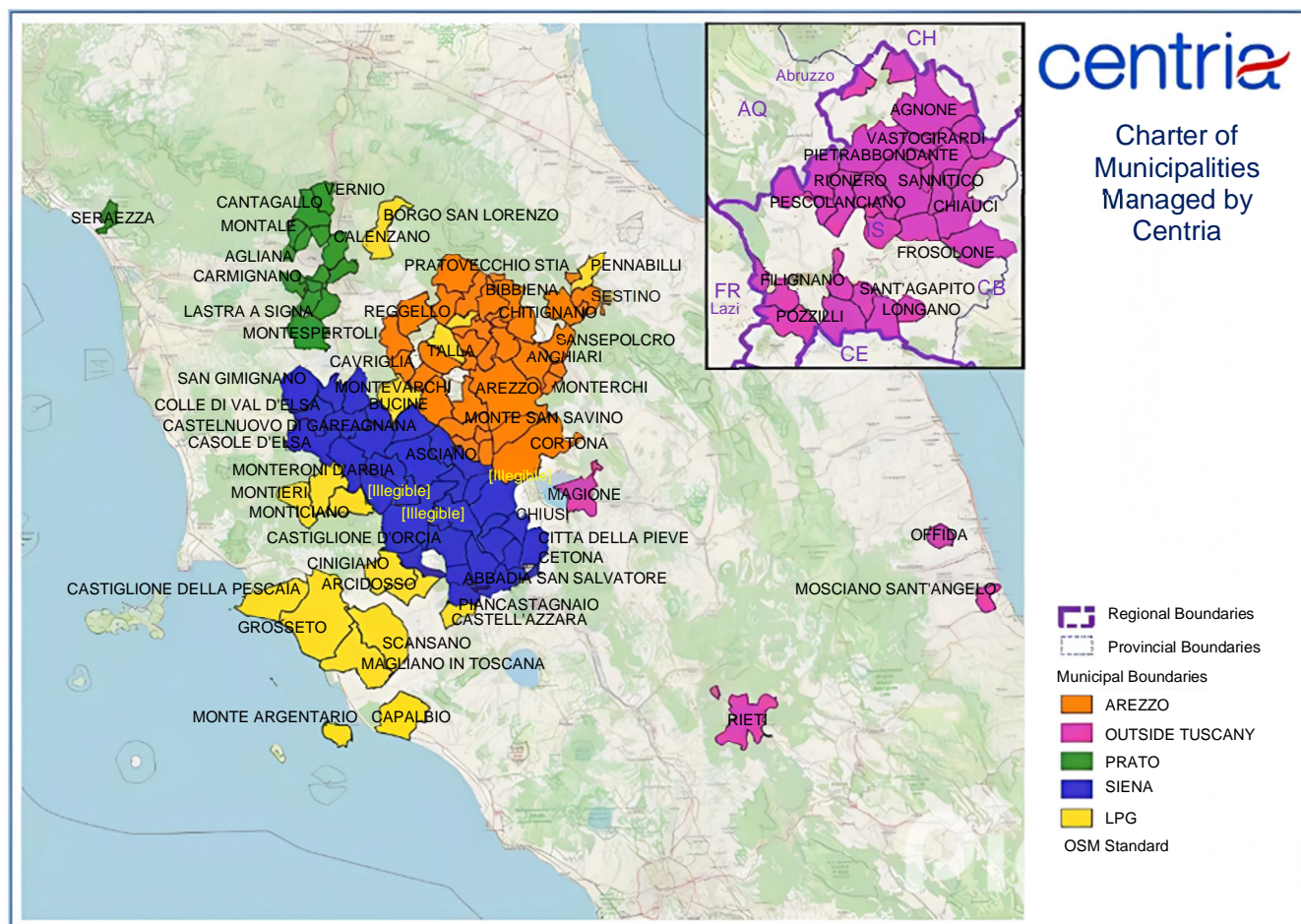
- **Fixed assets:** the transfer mainly concerns the ownership of the gas and LPG networks and related facilities; land, buildings and vehicles registered in public registers relevant to the business are also included.
- **Customer portfolio:** all active contracts and all resources needed to manage them.
- **Payables:** these consist mainly of short- and medium-term borrowings (loans) and trade payables.
- **Staff and Organisational Structure:** employed staff and employee severance indemnity charges and related accruals for about 250 employees (at the time of incorporation) are conferred.
- **Contracts:** any other service or supply contract currently in place relating to the Networks and LPG business, in order to enable Centria to establish an organisational structure aimed at conferring management autonomy and the independent capacity to produce income.

The activity is managed through three local units (Arezzo, Prato and Siena) in order to ensure a better coverage of the territory where most of the networks are located. The registered office and administrative office is in Arezzo.

The operations required for network management in the municipality of Offida (CH) are carried out by local resources that were already in place at the time of the acquisition but are now fully integrated into Centria's procedures and vision.

The management of the undertaking was entrusted to a Board of Directors, which consists of 6 members, one of whom is also the General Manager.

The main aim of the strategic and structural reorganisation of the ESTRA group was the creation of a single entity owning the gas networks and managing the natural gas distribution activities, which is the first totally public Tuscan operator, operating in about one hundred municipalities in the provinces of Prato, Florence, Pistoia, Siena, Grosseto, Arezzo, Lucca, Perugia, Teramo, Rieti, Ascoli Piceno and Isernia.



2 CORPORATE PURPOSE AND MISSION

Centria carries out its activities in the national context of energy undertakings, networks and regulated markets, with the primary purpose of creating value for its Shareholders and managing the services offered with high levels of quality and efficiency, to the benefit of customers, citizens and the territory.

To achieve these objectives, the company constantly develops its management activities by striving for the best quality of service, paying the utmost attention to health protection in the workplace, environmental sustainability issues, social responsibility and the continuous enhancement of the skills of its human resources, seeking development opportunities both at a geographical level and through strategic diversification related to the core business.

Centria's objective is to achieve maximum satisfaction for Customers, Users and Stakeholders to develop competitiveness and profitability in strict compliance with current regulations and certain fundamental principles that Centria has adopted as its primary values, such as and not limited to:

- ensuring service continuity and reliability;

- ensuring timeliness and effectiveness in ordinary and extraordinary operations as well as in emergencies;
- preventing and containing the environmental impact of its activities;
- adopting the best technologies in business process management;
- promoting staff skills and motivation.

To achieve these goals, the company is committed to optimising its business processes to ensure operations according to efficiency, effectiveness and cost-effectiveness criteria by identifying and implementing synergies with other Group companies through an integrated organisational model. To this end, Centria pursues maximum staff involvement in the sharing of its Policy and targets and is committed to actively maintaining its Integrated Management System, covering Quality, Environment, Safety, Energy, Information Security and Social Responsibility, in compliance with the ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, EMAS, SA 8000, ISO 50001: 2011, ISO 27001:2017 standards, seeking continuous improvement.



Centria is constantly committed to pursuing an open and constructive relationship with Customers, Users, Public Authorities, Operators and Stakeholders, also through the implementation of communication campaigns tailored to the different stakeholders, identifying appropriate and effective disclosure channels.

Centria's activities are carried out according to the rules of functional unbundling for vertically integrated undertakings in the natural gas sector, in compliance with the principles of cost-effectiveness, profitability and company data confidentiality, aiming at the best efficiency and quality in the provision of services while guaranteeing the neutrality of the management of infrastructures, which are essential for the development of the free energy market.

In line with its Parent Company E.S.T.R.A. S.p.A., Centria's mission is geared towards becoming a "centre of excellence" aggregating a competitive and sustainable "territorial system" over a vast area, aimed at constantly enhancing its ability to act as not only an economic but also a social "engine" in the communities in which it operates.

3 THE REGULATORY AND TARIFF FRAMEWORK

3.1 Tenders for the gas distribution service

During the 2024 financial year and in early 2025, calls for tenders were published for the following Minimum Territorial Areas ("Ambiti Territoriali Minimi" – ATEM):

ATEM	Date of publication of the call for tender
Cuneo 2	4/12/2024
Como 3	6/12/2024
Cuneo 1	30/12/2024
Enna	03/02/2025

The current phase of uncertainty regarding tenders does not prevent contracting authorities from publishing tender notices even if they are behind schedule.

On the whole, however, a situation of widespread stagnation persists, resulting in the prolongation, beyond all expectations, of the provisional operation of expired concessions (*ope legis* management) and the emergence of potential disputes with the granting bodies concerning the concession fees to be paid in this phase, which is increasingly taking on the features of a genuine concession.

In its meeting of 4 November, the Italian Council of Ministers approved the draft decree law for the market and competition for the year 2021, converted into Italian Law no. 118 on 5/08/2022, which corresponds to one of the targets identified by the government in the NRRP. Among other things, Italian Law 118/2022 will aim to properly enhance the gas distribution networks owned by local authorities, relaunch investments in the natural gas distribution sector, and at the same time speed up the procedures for carrying out tenders for the natural gas distribution service. This legal provision also provides for a revision of Italian Ministerial Decree 226/11 (regulation of ATEM tenders) initially planned for early 2023 but not yet issued to date.

A discussion with operators and ARERA (the Italian Regulatory Authority for Energy, Networks and Environment) is currently open at MASE (Italian Ministry of Environment and Energy Security) to consider a reduction in the number of ATEMs from the current 177 to around 40. It should not be ignored that such a reduction in the number of ATEMS would increase both their geographical and financial size, raising the barriers for smaller Distribution System Operators (DSOs) to participate in tenders. Combined with the merger of the two largest Italian DSOs, this possibility would place all DSOs other than the Italgas-2i establishing giant at a great technical and financial disadvantage in tenders.

In general, there remains a certain scepticism among those involved in the sector about the short-lived celebration of ATEM tenders, on the other hand, in 2024 there was a significant acceleration in some of our main ATEMs (SIENA, AREZZO, PRATO) of contracting stations which would suggest the possibility of publishing the respective calls for tenders by 2025.

Also in 2024, the company continued its activities as the outgoing operator to provide the data for the ATEM tenders required by Italian Ministerial Decree 226/11. In particular, the estimates of the Arezzo ATEM at 31/12/2022, already approved by ARERA, have been completed; the estimates of the Siena ATEM at 31/12/2021 have been delivered; all the compulsory tender information of the Prato ATEM at 31/12/2023 has been updated; for these three ATEMs we have in fact provided all the documentation necessary for the publication of the calls for tenders. Updates of the tender documents were also produced at the Ascoli Piceno, Perugia 1 and Teramo ATEMs.

3.2 Tariff aspects

The year 2024 was the fifth year of the 2020-2025 regulatory period, which is substantially in line with the previous period from the point of view of the regulatory framework; the outcomes of the various disputes on the price cap (Xfactor) introduced in the 2020-2025 tariff regulation, which ended with a major downward revision of the productivity recovery imposed, were very relevant. Certified by ARERA Resolution 87/2025/R/gas, this reduction has significant effects on all the group's revenue constraints for the entire regulatory period. The transition from the 4th to the 5th period resulted in an important overall reduction of the operating costs recognised by the tariff, which will be partly mitigated by the reduction of the Xfactor for a total of € 6.1 million at the level of the group's DSOs and € 2.2 million for Centria alone, in the period 2020-2024.

This change mitigates the imposed productivity recovery, which over the period envisaged a large reduction in productivity recovery on distribution management costs (t(dis)opex), by a total of about 30 percentage points.

In 2024, there was a significant increase in the WACC tariff from 5.6% to 6.5%, which together with the monetary revaluation of the RAB (deflator for gross fixed investments) resulted in a significant increase in CapEx-related tariff allowances. At the end of 2024, ARERA introduced changes to the integrated WACC (TIWAC) that led to a reduction of the WACC for 2025 from 6.5% to 5.9%.

With resolution no. 01/2023 of 12 October 2023, ARERA provided for the opening of an extraordinary collection of information for the recognition of residual costs of smart meters of class lower than or equal to G6 with manufacture year from 2012 to 2016 and installed up to 31/12/2018 replaced because malfunctioning. In 2024, data collection was carried out by the tariff service.

On 21 June 2022, ARERA published resolution 269/2022/R/gas which introduced compensation to be paid by Distribution companies to end customers in the event of failure to provide actual readings for G4-G6 Smart Meters within the anticipated timeframe depending on the meter consumption band. Compensation started to be applied on 01 April 2023 and continued in 2024.

In particular, there are 2 types of compensation depending on the Annual Consumption (CA - consumo annuo) of the meter:

- CA ≤ 500 smc → compensation of € 10 (failure to make reading available for 6 consecutive months → 2 compensations/year)
- 500 < CA < 5000 smc → compensation of € 10 (failure to make reading available for 3 consecutive months → 4 compensations/year)

With Resolution 60/2023, the Authority also gave a value to the partial recognition in Equalisation of the compensation paid by the Distributor, recognising a certain organic failure rate for Smart Meter communication (C_ind component equal to 80% of the compensation paid on about 5% of the meter fleet).

3.3 Integrated Information System (IIS)

Resolution 428/2024/R/com of 22 October 2024 - Revision of the value of the unit fee to cover the costs for the Integrated Information System and initiation of proceedings to extend the application of this fee to other operators in the electricity and natural gas sectors.

3.4 Gas Settlement

RESOLUTION 120/2024/R/gas of 02 APRIL 2024 - Amendments to the Integrated Gas Balancing Code. This measure makes changes to the integrated gas balancing code ("Testo Integrato del Bilanciamento gas" – TIB) with regard to the gas necessary for the operation of the system, taking into account the relevant provisions introduced by the RTTG.

RESOLUTION 333/2024/R/gas of 30 JULY 2024 - Amendments and additions to the Integrated text of the provisions for the regulation of the physical and financial items for the natural gas balancing service (TISG). This measure provides for amendments and/or additions to the TISG in order to incorporate in the settlement procedures the change of treatment from MY to MM for PdRs equipped with G4 and G6 smart meters installed pursuant to Resolution 296/2022/R/gas.

3.5 Energy efficiency

With the Decree of 21 May 2021, the Italian Ministry of Ecological Transition, now the Ministry of the Environment and Energy Security (MASE), determined the national quantitative energy savings targets for the obligation years 2021 to 2024, revised downwards the target for the year 2020 and approved the guidelines for the preparation, execution and evaluation of energy efficiency projects.

As stated in the regulations, the starting date of an obligation year is from 1 June of the current year to 31 May of the following year.

As a result of the above, two obligation years pertain to the 2024 calendar year:

- 1 January 2024 to 31 May 2024 – second part of the 2023 obligation year;
- 1 June 2024 to 31 December 2024 – first part of the 2024 obligation year.

The specific target for each obligated party is defined by ARERA on the basis of the quantity of gas distributed in the year n-2 with respect to the obligation year.

Specifically, Centria's targets for the obligation years 2023 and 2024 are reported:

- 2023 obligation year: Determination no. DSME 3/2023 of 31 October 2023 in which Centria S.r.l. is listed with a specific target of 27,914 TEEs;
- 2024 obligation year: Determination no. DSME 6/2024 of 7 November 2024 in which Centria S.r.l. is listed with a specific target of 28,368 TEEs.

With Resolution no. 270/2020/R/efr of 14 July 2020, ARERA published the methodology for determining the tariff contribution to be recognised to distributors in the context of the energy efficiency certificates mechanism in execution of the Lombardy Regional Administrative Court's ruling no. 2538/2019.

This Resolution defined the algorithm for calculating the tariff contribution, which refers to the TEE market quotations, whose maximum value (cap) is 250.00 €/TEE.

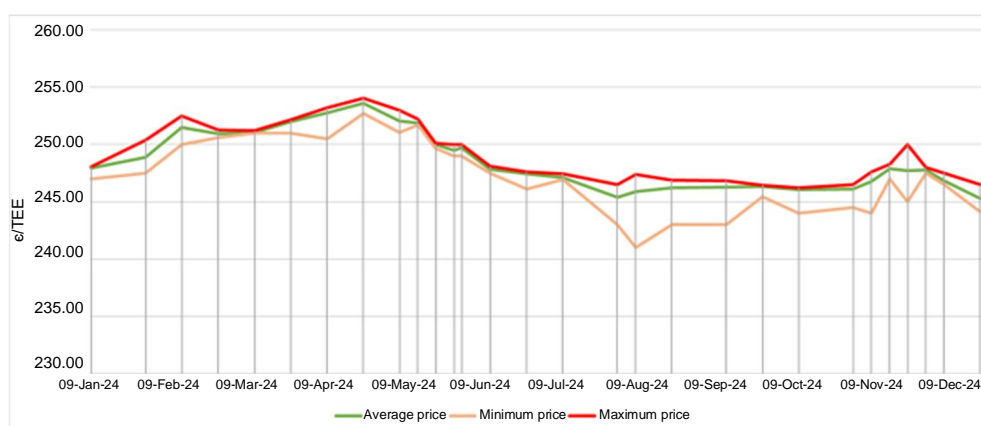
The same Resolution also defined the algorithm for calculating a fee additional to the tariff contribution, which refers to the amount of TEEs available compared to the national targets, with a maximum value of 10 €/TEE.

With Resolution no. 283/2024/R/EFR of 10 July 2024 ARERA published the value of the tariff contribution, equal to 248.99 €/TEE for the 2023 obligation year, and established that the additional unitary fee referred to in Article 4, paragraph 2, of Annex A to Resolution no. 270/2020/R/efr, is not payable.

The tariff contribution and the additional fee for the 2024 obligation year will be defined after the end of the period, i.e. after 31 May 2025.

During the year 2024, the average price in the organised market did not fluctuate much, about € 8, between about 245.29 €/TEE and about 253.59 €/TEE.

The absolute minimum quotation was 241.00 €/TEE while the maximum market value was 254.06 €/TEE.



The publication of the Italian Ministerial Decree of 21 May 2021 has in fact relaxed the tensions experienced in the organised market in the first months of the 2021 calendar year and which had been the cause of a sharp increase in prices. At the same time, the legislator's intervention has partially succeeded in supporting the generation of more liquidity in TEEs.

As a result of the above, the 2024 calendar year was characterised by a market in which prices stabilised around 250.00 €/TEE, effectively aligning with or falling below the cap value for the tariff contribution mentioned above.

This made it possible to make regular purchases, supporting the opportunity not to resort to the purchase of virtual TEEs for compliance with the obligation.

As highlighted in last year's report, it is reported that the Italian Decree of 21 May 2021 provides, in Article 6-bis, that in order to contribute to the achievement of the 2030 energy savings targets, a new system of saving incentives through downward auction procedures is to be introduced, which will make it possible to intercept – in particular, but not only – projects with investment levels that are difficult to incentivise with the price signal expressed by the organised market.

With the introduction of this system, it is hoped that the liquidity of TEEs in the organised market will be boosted and, consequently, that prices will become more stable.

This system has not yet been regulated.

In Article 4, paragraph 5, the Italian Ministerial Decree of 21 May 2021 defines that MASE must determine the annual national quantitative energy saving targets for the years after 2024 by 31 December 2024, in agreement with the Unified Conference and after consulting ARERA.

At 31 December 2024, these targets have not yet been determined.

4 THE GAS DISTRIBUTION SECTOR

In the gas distribution sector, 2024 was a year of significant updates regarding the Rate of Remuneration of Capital Employed (WACC).

In particular, with Resolution 556/2023/R/com, ARERA updated the WACC for the year 2024, as provided for in Article 8 of the TIWACC 2022-2027, raising the values of this parameter for the gas distribution and metering segments from 5.6% in 2023 to 6.5%.

The increase in the WACC by ARERA was a response to the changed market conditions, with the aim of ensuring an adequate remuneration for investments in energy infrastructure, while promoting efficiency and sustainability in the sector.

In November 2024, however, the Authority further updated the relevant parameters for the determination of the WACC for the sub-period 2025-2027, in accordance with the TIWACC 2022-2027. The new revision of the WACC led to a reduction of the remuneration rates for the period 2025-2027. In particular, for gas distribution, the WACC was reduced from 6.5% to 5.9%.

ARERA's decision to reduce the WACC for the period 2025-2027 aims to reflect current market conditions, ensuring fair remuneration for operators and protection of consumers' interests. However, some operators expressed concern about the impact of this reduction on profitability and the ability to finance new infrastructure projects.

With regard to area tenders (ATEMs), aimed at awarding gas distribution concessions, in 2024 ARERA and the competent institutions made a tangible effort to reform and accelerate the tender procedures, with the aim of ensuring more efficient and competitive management of concessions.

In particular, ARERA approved the Integrated text of provisions on natural gas distribution tenders with Resolution 296/2024/R/gas, published on 18 July 2024. This document introduced significant changes to simplify and speed up tendering procedures, aiming to make the processes of awarding concessions more efficient.

In addition, ARERA initiated a procedure to simplify and accelerate the procedures for carrying out tenders for the natural gas distribution service, with Resolution 35/2024/R/gas.

These initiatives are part of a broader regulatory context, into which Italian Law 118/2022 had already introduced regulations to speed up and make tenders for natural gas distribution concessions more efficient.

5 SIGNIFICANT EVENTS DURING THE 2024 FINANCIAL YEAR

No significant events occurred during the 2024 financial year.

6 OPERATIONAL PERFORMANCE RELATED TO GAS VOLUMES AND BUSINESS DEVELOPMENT

In the year 2024, Centria was the concessionaire for the natural gas distribution service in 108 municipalities, included in 12 provinces (Ascoli Piceno, Arezzo, Florence, Grosseto, Lucca, Perugia, Pistoia, Prato, Rieti, Siena, Teramo, Isernia), located in the Marche, Tuscany, Umbria, Lazio and Abruzzo regions.

At 31/12/2024, the Municipalities where Centria managed the natural gas distribution service are those listed below:

N.	Municipality	Prov ince	N.	Municipality	Prov ince	N.	Municipality	Prov ince
1	Abbadia San Salvatore	SI	38	Citerna	PG	75	Poggibonsi	SI
2	Acquaviva d'Isernia	IS	39	Civitanova del Sannio	IS	76	Poggio a Caiano	PO
3	Aglia	PT	40	Civitella in Val di Chiana	AR	77	Poggio Sannita	IS
4	Agnone	IS	41	Colle di Val d'Elsa	SI	78	Poppi	AR
5	Anghiari	AR	42	Cortona	AR	79	Pozzilli	IS
6	Arezzo	AR	43	Figline e Incisa Valdarno	FI	80	Pratovecchio Stia	AR
7	Asciano	SI	44	Filignano	IS	81	Radicondoli	SI
8	Badia Tedalda	AR	45	Foiano della Chiana	AR	82	Rapolano Terme	SI
9	Bibbiena	AR	46	Forlì del Sannio	IS	83	Rieti	RI
10	Bucine	AR	47	Frosolone	IS	84	Rionero Sannitico	IS
11	Buonconvento	SI	48	Lastra a Signa	FI	85	Roccasicura	IS
12	Calenzano	FI	49	Longano	IS	86	San Casciano dei Bagni	SI
13	Campi Bisenzio	FI	50	Lucignano	AR	87	San Gimignano	SI
14	Cantagallo	PO	51	Macchia d'Isernia	IS	88	San Quirico d'Orcia	SI
15	Capolona	AR	52	Magione	PG	89	Sansepolcro	AR
16	Caprese Michelangelo	AR	53	Marciano della Chiana	AR	90	Sant'Agapito	IS
17	Carmignano	PO	54	Miranda	IS	91	Sarteano	SI
18	Carovilli	IS	55	Montalcino	SI	92	Scandicci	FI
19	Casole d'Elsa	SI	56	Montale	PT	93	Seravezza	LU
20	Castel del Giudice	IS	57	Monte San Savino	AR	94	Sessano del Molise	IS
21	Castel del Piano	GR	58	Montemurlo	PO	95	Sestino	AR
22	Castel Focognano	AR	59	Montenero Val Cocchiara	IS	96	Sesto Fiorentino	FI
23	Castel San Niccolò	AR	60	Montepulciano	SI	97	Siena	SI
24	Castellina in Chianti	SI	61	Monterchi	AR	98	Signa	FI
25	Castelnuovo Berardenga	SI	62	Monteriggioni	SI	99	Sinalunga	SI
26	Castelpizzuto	IS	63	Monteroduni	IS	100	Sovicille	SI
27	Castelverrino	IS	64	Monteroni d'Arbia	SI	101	Subbiano	AR
28	Castiglion Fibocchi	AR	65	Montespertoli	FI	102	Talla	AR
29	Castiglion Fiorentino	AR	66	Montevarchi	AR	103	Terranuova Bracciolini	AR
30	Castiglione d'Orcia	SI	67	Mosciano Sant'Angelo	TE	104	Torrita di Siena	SI
31	Cavriglia	AR	68	Murlo	SI	105	Trequanda	SI
32	Cetona	SI	69	Offida	AP	106	Vaiano	PO
33	Chianciano Terme	SI	70	Pescolanciano	IS	107	Vastogirardi	IS
34	Chiauci	IS	71	Pescopennataro	IS	108	Vernio	PO
35	Chitignano	AR	72	Piancastagnaio	SI			
36	Chiusi	SI	73	Pienza	SI			
37	Chiusi della Verna	AR	74	Pietrabbondante	IS			

The local distribution network operated by Centria in the territory of these Municipalities covers a total of approximately 6,040 km.

Approximately 481 million cubic metres of natural gas were distributed to end customers in 2024.

The monthly volumes of gas distributed in 2024 are shown in the table below:

YEAR Months	2024 smc
January	79,514,686
February	63,879,041
March	54,703,514
April	33,087,155
May	22,448,126
June	18,278,242
July	17,233,482
August	12,573,305
September	18,665,929
October	23,420,491
November	53,989,279
December	83,327,191
TOTAL	481,120,441

At the end of the financial year, the total number of active Redelivery Points (PDR) connected through the local gas pipeline network operated by Centria was 397,650.

The end customers connected to the network at 31/12/2024 were distributed as follows:

- 51.35% supplied by the Group's sales company (Estra Energie S.r.l.);
- 48.65% by the remaining 162 sales companies with access to the distribution network in 2024.

6.1 Operating performance of the LPG Division

Centria LPG Division is the concessionaire for the LPG gas distribution and sales service in 47 municipalities, included in 6 provinces (Arezzo, Florence, Grosseto, Siena, Rimini and Rieti), spread over 3 central Italian regions (Emilia Romagna, Lazio, Tuscany). The LPG Division operates in particular in the Shareholder Municipalities of Intesa S.p.A. (Municipalities in the Siena Area, within the Provinces of Grosseto and Siena), in the Shareholder Municipalities of Alia S.p.A. (Municipalities in the Prato Area, within the Province of Florence), and in the Shareholder Municipalities of Coingas S.p.A. within the Province of Arezzo. During 2024, the LPG plants of Cercina-Sesto Fiorentino and Civitella in Val di Chiana were converted to natural gas.

At 31/12/2024, the municipalities where the LPG Division managed the LPG distribution and sales service were those listed below:

Province	Municipality	PDRs active at 31/12/2024	Smc 01/2024 12/2024
AR	Anghiari	24	1,951
GR	Arcidosso	25	2,331
AR	Arezzo	101	25,300
SI	Asciano	62	9,369
AR	Badia Tedalda	60	4,684
AR	Bibbiena	40	4,720
FI	Borgo San Lorenzo	20	1,772
AR	Bucine	59	6,322
SI	Buonconvento	42	8,473
GR	Capalbio	36	5,230
AR	Capolona	10	1,446
AR	Caprese Michelangelo	79	4,169
AR	Castel Focognano	46	6,412
GR	Castell'Azzara	109	10,531
SI	Castelnuovo Berardenga	1	8,793
GR	Castiglione Della Pescaia	224	25,471
SI	Castiglione D'Orcia	2	2,883
SI	Chiusdino	255	26,367
AR	Chiusi Della Verna	85	7,004
GR	Cinigiano	349	56,614
AR	Civitella In Val Di Chiana	1	10,050
AR	Cortona	72	14,883
SI	Gaiole In Chianti	42	3,599
AR	Loro Ciuffenna	19	430
TOTAL		4.832	635.408

The distribution network constituting the managed facilities in the territory of the above-mentioned municipalities covers a total of approximately 137.6 km.

Approximately 0.635 million cubic metres of LPG were distributed to end customers in 2024, a decrease of 5.1% compared to 2023 due partly to a decrease in consumption and partly to the conversion of some LPG networks to natural gas.

Since 2014 LPG tariffs have been determined by AEEGSI with Resolution 633/13 only for municipalities with a number of active PDRs greater than 300, which means that tariff regulation is only in place for the 5 municipalities with more than 300 PDRs, for the rest of the municipalities Centria's Board of Directors decided to extend the same tariffs applied to the 5 regulated municipalities. For 2024, the discount for regularity of payments was confirmed with the aim of improving the service's competitiveness and at the same time promoting customers' regularity of payment.

7 HUMAN RESOURCES, TRADE UNION RELATIONS, TRAINING, UPGRADING AND QUALIFICATION

At 31 December 2024, Centria's functional staff numbered 222, during the year there were 11 terminations and no new hires.

In September 2024, the LPG Plant Department, already present since 23 November 2023 in the Centria structure following the integration of the LPG Division, was reabsorbed within the various Operational Zones Departments.

In the area of communication, during 2024 Centria met several times with the Workers' Representatives at the periodic safety meeting (Article 35 of Italian Legislative Decree 81/2008) for the presentation of the management reviews prior to the SA8000 social responsibility certification audits. In addition, Centria made a communication system available to staff, both via email and QR Code, to report near misses and proposals for improvement to the company.

To encourage staff involvement, Centria publishes a quarterly company magazine "Centria 4 Safety", shown on company notice boards and sent by email to all employees.

Risks assessment

In 2024, the workplace health and safety risk assessment was updated, in particular the general Risk Assessment Document (DVR), with the inclusion of LPG-related activities, and specific risk assessments for fire hazards, manual handling of loads, and harassment and violence in the workplace.

Accidents and work-related ill health

In 2023, 5 accidents occurred, of which 1 with a prognosis of up to 3 days and therefore not included in the calculation of the accident frequency and severity indices, IF and IG respectively, 1 due to a passive road accident (the person was rear-ended), 2 due to a slip and fall and 1 due to incongruous posture, for a total of 344 days of work absence. The accident indices are IF = 20.65 and IG = 0.62, up from 2023. The IG severity index exceeds the INAIL (Italian National Institute for Insurance against Accidents at Work) statistical value for the last available 2020-2022 three-year period in the institute's database. The increase in the severity index is due to the fact that two injured persons underwent surgery, resulting in a high number of days off work. It is conceivable that these accidents have exacerbated an already compromised previous state not due to work-related causes.

In 2023, a work-related illness report was filed for an employee who retired on 01/02/2017. On 04/06/2024 INAIL communicated that the file was adversely defined.

Staff training

A total of 6,543 hours of occupational health and safety training were provided in 2024 for the acquisition and renewal of skills certification for staff operating gas plants and distribution networks, for the acquisition and renewal of qualifications for the use of specific equipment, the use of toxic gases, in our case natural gas odorant, all of which are functional to Centria's work activities.

In the area of occupational health and safety, 2,567 hours of training were provided.

Training course	Number of participants	Number of training hours
State-Region Administrations Agreement 21/12/2011 - General Workers	5	20
State-Region Administrations Agreement 21/12/2011 - Specification Workers	7	76
State-Region Administrations Agreement 21/12/2011 - Additional for Supervisors	8	64
State-Region Administrations Agreement 21/12/2011 - Refresher for Workers and Supervisors	205	410
Firefighting - Basic	3	24
Firefighting - Refresher	33	171
First Aid - Basic	2	24
First Aid - Refresher	43	172
Layperson BLSD (Basic Life Support and Defibrillation)	4	16
Construction site signalling - Basic	3	36
Construction site signalling - Refresher	26	156
Forklift - Basic	3	36
Forklift - Refresher	5	20
Work at height - Ladder	5	20
Work at height - Scaffolding	14	56
Training on use of anchoring device	68	136
Access in confined spaces	21	168
Multi-gas detector	14	28
Training on use of self-contained breathing apparatus and gas mask	14	56
Working in ATEX zones	52	156
THT spill simulation	42	126
Explosion verification	5	40
RLS - Refresher	3	24
RSPP ASPP CSP CSE - Refresher	6	60
Safety Trainer - Refresher	3	24
Wrapping of special parts and steel pipelines	43	172
Maintenance of roller coating machines	14	176
Use of roller coating machines	25	100
Total	676	2,567

Improvement projects

In 2023, improvement projects in the field of occupational health and safety were defined and approved by Centria's management. In 2024, projects continued to be implemented, in particular:

- Purchase of licences for the "man-down" alarm system for staff exposed to the risks of isolated work – **completed**.
- Provision of ATEX telephone and tablet to staff working in places where there is a danger of explosive atmospheres – **completed**.
- Completion of the hands-free system on all company vehicles – **completed**.
- Construction within the test field of the training station for staff training for emergencies and THT spills – **completed**.
- Installation of a tensile structure within the test field to provide shelter for employees while using the test field – **completed**.
- Purchase of a mobile anchoring system for meter replacement and work at height on balconies – **completed**.
- Implementation in the management system of a procedure for the contextualisation of safety plans at maintenance sites – **in progress**.
- Application of reflective strips on operational vehicles to increase visibility – **in progress**.
- Creation of a station for staff training for accessing confined spaces within the test field – **in progress**.

With regard to the health of staff, health monitoring is regularly carried out by competent doctors according to the shared health protocol.

The "*The generous blood of Centria*" initiative launched by Centria in 2022 to encourage blood donation was integrated in the memorandum of understanding, signed on 23/12/2024 between Azienda Sanitaria Toscana Centro, Avis Toscana and ESTRA SPA, aimed at promoting and facilitating blood donation during working time by employees of companies consolidated by and/or investees of ESTRA.

8 QUALITY, SAFETY, THE ENVIRONMENT – INTEGRATED BUSINESS MANAGEMENT SYSTEMS

Centria's integrated management system is managed and maintained by the QSA Committee. During 2024, Centria maintained its Integrated Management System in accordance with the standards:

- UNI EN ISO 9001:2015 - Quality Management System;
- UNI EN ISO 14001:2015 - Environmental Management System;
- UNI EN ISO 45001:2023 - Safety Management System;
- SA8000:2014 - Social Accountability Management System;
- EMAS (Eco-Management and Audit Scheme) Regulation 1505/2017;
- UNI EN 18295-1 and 18295-2 - "Contact Centre Services";
- UNI EN ISO 3834-2 - Steel welding process "Quality requirements for fusion welding of metallic materials Part 2: Extended quality requirements";
- UNI 11024 - Polyethylene Welding Process "Quality requirements for the welding of pipes for the conveyance of combustible gases, water and other fluids under pressure";
- UNI CEI EN ISO 50001:2018 - Energy Management System;
- ISO/IEC 27001:2022 - Information security management system;
- UNI CEI EN ISO/IEC 17025:2018 - Test Laboratory Accreditation

The IAF accreditation areas of Centria S.r.l. SGI are:

- IAF 26 - gas supply;
- IAF 28 - construction;
- IAF 29 - wholesale, retail;
- EA 33 - information technology;
- IAF 34 - engineering services.

The fields of application include:

- "Design, management and implementation of gas (methane and LPG) distribution plants and networks. Provision of metering and transmission services for gas distribution. Provision of LPG marketing services."
- "Energy efficiency systems design also aimed at obtaining white certificates"
- "Development and management of the communication network, remote management and remote reading of data acquired by smart meters and subsequent management of the SAC system. Development and management of the communication, remote control and remote management network for RE.MI. plants and reduction groups in natural gas distribution networks"
- "Inbound (telephone) contact centre services related to gas network emergencies and gas incidents provided 24-7, 365 days a year".

The list of accredited tests:

Intensity and degree of odorization, ter-butylmercaptan (TBM)/tetrahydrothiophene (THT) [THT 10-82 mg/Sm³ - TBM 2-42 mg/Sm³]

A detailed schedule of periodic visits and internal audits, approved by the Certifying Body, is in place. All company processes are kept under control and monitored with a view to constant improvement for all aspects of the precise application of current regulations, as well as the improvement of standards on service quality, worker health and safety, and environmental sustainability.

With reference to Information Security and Cyber Security, activities continued in 2024 in order to comply with the NIS Directive Italian Legislative Decree 65/2018, carried out in cooperation with the parent company's information systems and the Privacy function. In particular, the Committee pursued the implementation of the Improvement Plan and carried out the monitoring and verification audits required by the ISO 27001-certified Management System. For 2025, the point of contact with ACN was appointed and the requirements of the NIS2 Directive were met.

With reference to environmental management, in 2025 the requirements of Italian Legislative Decree no. 116/2020 as amended for the RENTRI, National Electronic Waste Traceability Register, were met.

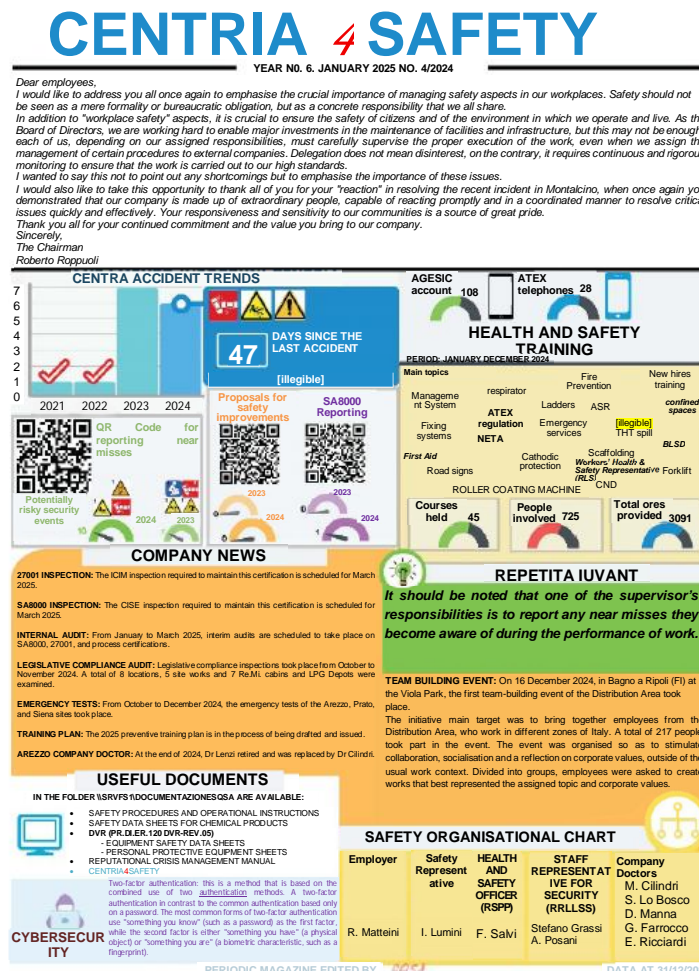
Regarding the accounting of methane emissions, Centria has been quantifying its emissions according to the Marcogaz methodology for several years. These are published in the Environmental Statement. In 2024, in order to comply with Regulation (EU) 2024/1787.

With reference to Occupational Health and Safety, the path of continuous improvement continued in 2024, with the activation of new improvement projects.

With reference to the communication and involvement of all employees on safety aspects, since 2019 Centria has published a quarterly periodic magazine called "Centria 4 Safety", addressed to all employees, created to improve the involvement, communication and dissemination of company information on Occupational Health and Safety and any other information deemed useful such as, for example, updated procedures and operating instructions. This activity continued in 2024.

Communication and distribution to employees takes place by e-mail and by posting on company notice boards, and all issues are also available on the ESTRA group's corporate intranet.

Below is the latest issue published.



Skills management

Since 2019, the QSA Committee has mapped and monitored staff skills. It also annually draws up the training plan. During 2024, the certifications of Centria's professional figures continued. The situation at 31/12/2024 is as follows:

- 47 people (48 profiles), UNI 11632 certified as supervisors and gas installations maintenance staff;
- 127 persons (156 profiles) certified as natural gas distribution facilities supervisors;
- 4 persons with PMP (project management) certification;
- 38 people with UNI 11648 (project manager) certification;
- 26 people with CAPM (project management) certification;
- 12 persons with cathodic protection officer certification;
- 26 people with steel welders UNI 9606 qualification;
- 41 people with UNI 9737 polyethylene welder qualification;
- 3 persons with EGE (energy management expert) qualification;
- 3 persons with PMVA (Measurement and Performance Verification Analyst) certification;
- 2 persons with ISM-ATEX certification;
- 16 non-destructive welding testers;
- 20 polyethylene welding coordinators;
- 33 people with licence for the use of toxic gases (odorant);
- 9 safety coordinators;
- 3 safety trainers;
- 4 ISO 9001 (quality) auditors, 2 ISO 45001 (health and safety) auditors, 2 ISO 14001 (environment) auditors, 1 ISO 27001 (data security) auditor, 1 ISO 37001 (anti-corruption) auditor, 1 ISO 50001 (energy) auditor, 1 SA8000 (corporate social responsibility) auditor.

9 PROCESSING OF PERSONAL DATA

In 2024, Centria S.r.l., an Estra Group company, continued to ensure a constant commitment to compliance with current legislation on the protection of personal data, including Regulation (EU) 2016/679 and Italian Legislative Decree no. 196/2003. In addition, the company has taken the necessary steps to correctly adhere to the European directives on cybersecurity and data protection, in anticipation, in particular, of the legislation transposed in October 2024 with Italian Legislative Decree 138/2024 (EU Directive 2022/2555-NIS2), so as to ensure maximum protection of the rights of the interested parties and full compliance with the applicable regulatory provisions.

DPO and Group Privacy Function:

Centria S.r.l., has adopted an effective compliance model by appointing a Group Data Protection Officer (DPO). This role works in close collaboration with Estra's privacy function, ensuring a unified and coherent strategy across the organisation.

Personal Data Organisation and Management Model:

The Data Controller has consolidated its Personal Data Organisation and Management Model (M.O.P.), clearly defining roles and responsibilities within the organisation. This model includes all the roles required by the legislation, such as the Data Controller and the DPO, and details the activities of the company's supervisory roles in strengthening data protection management.

Procedures and security measures:

Already implemented in previous years, constant monitoring of the personal data processing procedures was ensured.

These procedures are made available to all employees via the company intranet, ensuring widespread dissemination of information and good practices.

Processing management and risk assessment:

The responsible function ensured the constant monitoring and updating of processing registers, as required under Article 30 of the GDPR. This includes:

- a) timely mapping of personal data processing;
- b) purposes, data subjects categories and recipients;
- c) analysis and description of transfers to third countries;
- d) privacy risks assessment connected with personal data processing;
- e) management of suppliers with allocation of the relevant processing activities.

Data breach response:

In the event of a personal data breach, a company procedure has been established for the timely activation of an internal communication flow. This process ensures effective and timely management of any incidents. No data breaches occurred during 2024.

Privacy policy:

The Data Controller has continued to provide data subjects with detailed information on the processing of their personal data, both through privacy notices delivered directly and through publication on company websites.

Management of data subjects requests:

Requests and complaints from data subjects were handled according to a specific procedure by the relevant corporate function. This procedure involved thorough verification and the drafting of feedback, in cooperation with the relevant internal structures and, where deemed appropriate, with the DPO.

Relations with suppliers and subcontractors:

Special agreements were made to appoint third parties that processed personal data on behalf of the Data Controller as data processor. These agreements included specific obligations and instructions the suppliers undertook to comply with, guaranteeing the Data Controller the possibility of carrying out checks on compliance with privacy regulations. Pre-contractual privacy qualification activities were also envisaged to assess the supplier's suitability for appointment.

During 2024, these pre-qualification models were supplemented and/or updated. Updating and/or integrations were envisaged for:

- a) suppliers of IT services in "Software on premise, configuration, maintenance and support" mode;
- b) providers of IT services in "Cloud computing (SaaS, PaaS, DaaS) mode".

During 2024, the Data Protection Agreements (contracts of appointment pursuant to Art. 28 of the GDPR - General Data Protection Agreement - with the role of System Administrator) relating to contractual agreements on the following subjects were updated and revised:

- a) software on premise, configuration, maintenance and support;
- b) cloud services;
- c) meter readings;
- d) credit recovery;
- e) intra-group relations.

10 ADMINISTRATIVE LIABILITY (ITALIAN LEGISLATIVE DECREE 231/2001)

Centria has adopted its own corporate Code of Ethics and an Organisation, Management and Control Model (MOGC), in compliance with Italian Legislative Decree 231/2001, in order to prevent the commission of the offences set out in the decree.

The Company's Code of Ethics is published on the website:

https://www.centria.it/wp-content/uploads/2023/07/Codice-Etico_DEFg.pdf

During 2020, a declaration of acceptance and acknowledgement of the Code of Ethics and of the MOGC was submitted to all Centria staff, using a preset digital form and sent by the QSA Committee in collaboration with the Supervisory Body. All staff responded positively. It should be noted that Italian Legislative Decree no. 231 of 8 June 2001 (hereinafter: Italian Legislative Decree no. 231/2001) introduced the regulation of the (criminal) administrative liability of legal persons.

According to these rules, Entities may be held liable - and consequently penalised - for certain offences committed or attempted in the interest or to the advantage of the Entity by directors, employees or contractors. The offences envisaged in this decree include, among others, offences against the Public Administration (extortion, corruption, embezzlement and fraud to the detriment of the State, etc.), corporate offences, offences of manslaughter and serious or very serious grievous bodily harm, committed in breach of accident prevention and health and safety at work regulations, cybercrimes, copyright offences, offences against the individual (e.g. child pornography), offences of disrupting the freedom of industry and trade, offences related to stolen goods and money laundering, and environmental offences. Tax offences, introduced in 2020, and others.

The Company's liability may be excluded or mitigated if it adopts and implements in an effective and constant manner a MOGC potentially suitable for preventing these offences.

The Model was drafted in compliance with the requirements set forth in Italian Legislative Decree 231/2001 and in the accompanying Report, the Guidelines of Confservizi, Confindustria and the AIIA Position Paper, and taking into account case law guidelines.

The effective and constant adoption of this Model may make it possible not only to comply with the requirements of the aforementioned legislation, but also to strengthen the internal control system for the performance of activities in accordance with conditions of fairness and transparency.

In compliance with regulations, the Company has appointed a Supervisory Body (SB), responsible for verifying the effective implementation of the rules and principles set out in the Organisational Model.

The tasks of the Supervisory Body can be summarised as follows:

- supervision of the model effectiveness, which takes the form of verifying the consistency between concrete conduct and the established model;
- examination of the model adequacy, i.e. of its real (and not merely formal) capacity to prevent, in principle, unwanted conduct;
- analysis of the maintenance of the model's robustness and functionality requirements over time;
- managing the necessary model updating in a dynamic sense, in the event that the analyses carried out make it necessary to make corrections and adjustments. This management, as a rule, takes place at two distinct and integrated times;
- presentation of proposals for the adaptation of the model to the corporate bodies/functions capable of effectively implementing them within the corporate structure;
- follow-up, i.e. verification of the implementation and actual functionality of the proposed solutions.

11 MAIN ECONOMIC DATA – SUMMARY OF ECONOMIC OPERATIONS

For purpose of a better understanding of the economic data, a reclassified income statement is presented, which shows the company's operating result compared to the previous financial year.

11.1 Income statement and profitability indices

RECLASSIFIED INCOME STATEMENT <i>amounts in € thousand</i>	2024	2023	Change	% change
Revenue from transmission tariffs	60,520	52,773	7,747	14.68%
Other revenue and income A1	6,519	6,442	77	1.20%
Increases in non-current assets from in-house production	19,191	17,129	2,062	12.04%
Other revenue and income A5	29,211	12,592	16,619	131.98%
TOTAL REVENUE	115,441	88,936	26,505	29.80%
External costs	-54,378	-36,348	-18,030	49.60%
Use of third-party assets	-10,219	-9,888	-331	3.35%
ADDED VALUE	50,844	42,700	8,144	19.07%
Cost of labour	-13,066	-12,739	-327	2.57%
EBITDA	37,778	29,961	7,817	26.09%
Depreciation, amortisation and write-downs	-22,833	-23,135	302	-1.31%
EBIT	14,945	6,826	8,119	118.94%
Financial income	3,094	2,778	316	11.38%
Financial expenses	-9,520	-9,293	-227	2.44%
EBT	8,519	311	8,208	2639.23%
Taxes	-1,876	683	-2,559	-374.67%
NET INCOME	6,643	994	5,649	568.31%

To better describe the company's income situation, some profitability indices are shown in the table below:

PROFITABILITY INDICES	2024	2023
Net ROE (net profit/equity)	2.00%	0.31%
Gross ROE (gross profit/equity)	2.57%	0.10%
ROI (EBIT/invested capital)	3.24%	1.52%
ROS (EBIT/net sales)	22.29%	11.53%

The 2024 indices were compared with the same indices for 2023.

There was a significant increase in both net ROE and gross ROE, consistent with higher net and gross profit.

ROI and ROS also show a significant increase.

11.2 Costs

The production costs incurred during the financial year, as shown in the statutory financial statements, amounted to a total of € 100.49 million and are detailed below:

PRODUCTION COSTS	2024	2023
Raw and ancillary materials, consumables and goods	11,752,654	10,475,701
Services	15,237,218	15,566,838
Use of third-party assets	10,218,579	9,887,698
Personnel costs	13,066,485	12,739,282
Amortisation of intangible assets	1,705,166	1,345,565
Depreciation of property, plant and equipment	20,754,971	20,085,178
Other write-downs of fixed assets	265,647	1,630,906
Write-down of receivables in current assets	107,635	73,500
Change in raw material inventories	1,069,647	1,256,291
Sundry operating expenses	26,316,746	9,049,018
TOTAL PRODUCTION COSTS	100,494,748	82,109,976

For more information on the breakdown and composition of Production costs, please refer to the Notes to the Financial Statements.

11.3 Revenue

The revenue realised (Production Value) during the financial year 2024 and shown in the statutory financial statements amounted to € 115.44 million, as detailed below:

PRODUCTION REVENUE	2024	2023
Revenue from sales and services	67,039,067	59,214,664
Increases in non-current assets from in-house production	19,190,817	17,129,476
Other revenue and income	29,211,093	12,591,835
TOTAL PRODUCTION REVENUE	115,440,977	88,935,974

For the sake of completeness, it should be noted that on 19 April 2023, the Management Board of the Italian Accounting Body (OIC) approved the final version of accounting standard OIC 34 "Revenue", applicable to financial statements for financial years beginning on or after 1 January 2024. The purpose of this standard is to regulate the criteria for recognising and measuring revenue, as well as the information to be presented in the notes to the financial statements.

This standard applies to all transactions involving the recognition of revenue from the sale of goods and the provision of services, regardless of their classification in the income statement. Revenue from the sale of businesses, rent income, reversions and transactions that do not have the purpose of buying and selling are also excluded.

For more information on the effects of the application of the standard in question, as well as the details and composition of Production Revenue, please refer to the Notes to the Financial Statements.

12 MAIN BALANCE SHEET DATA

The company's reclassified balance sheet compared to the previous year is shown in the table below:

RECLASSIFIED BALANCE SHEET	2024	2023	Change	% change
Net intangible assets	6,606,472	6,769,646	-163,173	-2.41%
Net property, plant and equipment	409,254,103	391,147,062	18,107,041	4.63%
Equity investments and other financial assets	99,368,880	99,348,277	20,603	0.02%
Other receivables and non-current financial assets	5,509,476	5,423,883	85,593	1.58%
NON-CURRENT ASSETS	520,738,931	502,688,867	18,050,064	3.59%
Inventories	2,494,057	3,563,704	-1,069,647	-30.02%
Trade receivables	13,651,938	8,476,231	5,175,706	61.06%
Receivables from Parent Company, subsidiary and Group	14,786,385	9,504,829	5,281,556	55.57%
Other receivables and current financial assets	36,129,784	35,594,488	535,296	1.50%
Accrued income and prepaid expenses	39,146	45,985	-6,839	-14.87%
CURRENT ASSETS FOR THE FINANCIAL YEAR	67,101,310	57,185,238	9,916,073	17.34%
Trade payables	37,578,396	31,775,616	5,802,780	18.26%
Tax and social security liabilities	1,710,493	944,026	766,467	81.19%
Other payables	10,344,514	4,996,401	5,348,113	107.04%
Payables to parent company, subsidiary and group	11,506,163	7,023,430	4,482,734	63.83%
Accrued expenses and deferred income	7,020,915	6,880,235	140,680	2.04%
CURRENT LIABILITIES FOR THE FINANCIAL YEAR	68,160,481	51,619,707	16,540,774	32.04%
NET WORKING CAPITAL	519,679,761	508,254,398	11,425,363	2.25%
Employee severance indemnity	2,149,469	2,163,501	-14,032	-0.65%
Other non-current liabilities	56,337,531	57,255,831	-918,300	-1.60%
NON-CURRENT LIABILITIES	58,487,000	59,419,332	- 932,332	-1.57%
INVESTED CAPITAL	461,192,761	448,835,065	12,357,696	2.75%
Shareholders' Equity	332,004,666	325,672,560	6,332,106	1.94%
Medium-/long-term net financial position	15,356,775	97,750,847	-82,394,072	-84.29%
Short-term net financial position	113,831,320	25,411,658	88,419,661	347.95%
SHAREHOLDERS' EQUITY AND NET FINANCIAL DEBT	461,192,761	448,835,065	12,357,696	2.75%

It should be noted that the item "*other receivables and current financial assets*" includes receivables from others within 12 months, deferred tax assets and tax receivables.

"*Payables to parent company and companies/group*" do not include payables of a financial nature, such as negative cash pooling balances and the payable for financing from the parent company.

"*Other receivables and non-current financial assets*" include receivables beyond 12 months.

13 MAIN FINANCIAL DATA

The net financial position at 31/12/2024 is as follows:

	31/12/2024	31/12/2023	Change	% change
Bank and postal deposits	291,446	3,194,462	-2,903,016	-90.88%
Short-term borrowings	-12,497,574	-17,950,396	5,452,822	-30.38%
Cash pooling payables	-31,625,192	-10,655,725	-20,969,468	0.00%
Short-term net financial position	-43,831,320	-25,411,658	-18,419,661	72.49%
Payables to shareholders for long-term loans	-70,000,000	-70,000,000	0	0.00%
Long-term borrowings	-15,356,775	-27,750,847	12,394,072	-44.66%
Medium-/long-term net financial position	-85,356,775	-97,750,847	12,394,072	-12.68%

The short-term net financial position went from about € 25 million (-) to about € 44 million (-), a deterioration of about € 18 million, while the medium-/long-term net financial position showed an improvement (+) of about € 12 million.

These changes mainly include the effect of the increase in the negative cash pooling balance of about € 21 million, due to the increase in the company's investments in the 2024 financial year.

Finally, about € 17.8 million of principal of bank payables were repaid.

13.1 Investments

In 2024, the investment plan continued. The company made investments of around € 43.59 million in property, plant and equipment and intangible assets, which is significantly higher than the previous year (€ 31.52 million), when they had already reached a significant amount (in 2022 they were € 24.1 million).

For details of the financial year's increases in non-current assets, please refer to the Notes to the Financial Statements.

13.2 Research and development

Centria is constantly engaged in Research & Development in the area of technologies and processes which are characteristic of natural gas distribution. In this field (as in others) Centria acts as a driving force for the entire distribution area.

Centria's planning is strongly oriented towards the digitisation of the distribution network and process automation. This effort is preparatory and, in some respects, contributes to enabling the transition to a decarbonised energy system. During 2023, Centria designed and developed in-house a digital management system for optimising the energy used in the natural gas pre-heating process and the automation of REMI's thermal power plants. In the course of 2024, the system developed, called CPS (Centria Pre-heating System), was put into production through mass installation in 13 REMI cabins, enabling an average reduction in self-consumption in the order of 40%. This benefit is reflected in reduced pollutant emissions and lower operating costs.

At the same time, the Distribution Area is committed to undertaking research and development projects on renewable gases, biomethane and green hydrogen to support the energy transition process.

In 2023, Centria participated in the selection of pilot projects to optimise the management and use of infrastructure in the natural gas sector published by ARERA with Resolution 404/2022/R/gas. Centria's proposal was deemed eligible and ranked second overall: the project involves the design and construction (in 2024) of a reverse flow gas plant in the distribution network of Asciano (SI).

During 2024, therefore, Centria carried out and completed the permitting, design and construction of the reverse flow gas plant, in line with the proposal made to ARERA.

The plant was tested and declared operational on 19/12/2024.

The plant makes it possible to transform the Asciano gas network from a mono-directional to a bi-directional one, according to an innovative logic, maximising the input of biomethane and thus favouring the diffusion of renewable energy in the gas infrastructure.

In March 2023, the three-year SmartHydroGrid project was also activated, in partnership with industrial players (Techfem SpA, Regas SpA) and research institutions (University of Calabria, CretaES). The "Smarthydrogrid -Smart Hydrogen Microgrid for Energy Transition and Deep Decarbonisation" project has been selected by MITE (Italian Ministry of Ecological Transition) and is one of the 15 projects eligible for funding under the NRRP (National Recovery and Resilience Plan).

The project is the only one on the list of eligible and fundable projects under theme D: "Integrated smart management systems to improve the resilience and reliability of intelligent hydrogen-based infrastructures" and envisages the construction of a Power to Gas and Power to Power pilot plant for the efficient management of green hydrogen. The main activity during 2024 concerned the design of the Power to Gas plant, dedicated to the production and storage of green hydrogen, which will be installed at the REMI cabin in Arezzo¹; in particular, compatibility studies and regulatory verification were carried out with respect to current fire prevention legislation for hydrogen gas production and storage plants. At the end of 2024, in December, an expression of interest was made for the supply and installation of the plant, to be finalised in 2025.

In 2024, activities continued under the agreement with the University of Florence for the development of a natural gas odorization rate prediction system using innovative machine learning and artificial intelligence techniques. In particular, the AI algorithm was developed, which was trained with datasets collected via the remote control system with field tests. The developed algorithm worked with a good rate of accuracy and test series will have to continue to train the algorithm and verify its convergence with real data.

Also as part of its activities to support the transition to a decarbonised energy system, in 2024 Centria realised an important collaboration with ENEA (Italian National Agency for New Technologies, Energy and Sustainable Economic Development) in the area of system research in the electricity sector. During the year, a set of tests aimed at assessing the operational impact of mixtures of natural gas and hydrogen in distribution networks were carried out at the Arezzo test field by Centria staff. The tests were carried out with the support of the DIF Department of the University of Florence. For the finalisation of the tests, the Test Field underwent a technical and regulatory upgrade with the realisation of new dedicated infrastructure.

14 RELATIONS WITH THE PARENT COMPANY ESTRA S.P.A., ALIA S.P.A. AND OTHER GROUP COMPANIES

With regard to relations with the parent company and companies controlled by the latter, it should be noted that they are all part of normal and ordinary management activities and are concluded at normal market conditions.

With a view to realising the best synergies and economies of scale among the Group companies, it was decided to centralise the functions of common interest by entrusting them to the company that has the best resources and expertise to perform the service in the interest of the Group and in compliance with the purposes of functional unbundling.

The inter-company deeds between Centria and the **parent company Estra S.p.A.**, which regulated the company's activities in the financial year 2023, are therefore as follows:

Service contract - concerning the correct identification of the detailed costs of common services to be attributed to the company's two activities (distribution and metering), related to ARERA's Integrated Text on Accounting Unbundling. For the year 2024, the total consideration for services provided by Estra S.p.A. to Centria was € 3,622,320.

This figure also includes the services provided to the LPG division and all the costs of licences and support fees on all platforms, which, together with the implementation of the new Net@Sial management system, were shared among the 3 companies involved.

Service contract - concerning the services provided by Centria on behalf of Edma Reti Gas which, for the year 2024, amounted to € 99,578, corresponding to the consideration requested from Estra S.p.A.

Contract for the concession for use of equipped spaces - concerning the concession by Estra for use of equipped spaces and premises, relating to the portions of building complexes and external spaces used as offices, goods storage, workshop, changing rooms, car parks, etc. by Centria.

For the year 2024, the consideration amounted to a total of € 1,511,590 and includes the related condominium and maintenance costs of € 705,361.

Service contract with the parent company Alia Servizi Ambientali S.p.A.

The total consideration for services provided by Alia Servizi Ambientali S.p.A. to Centria amounted to € 2,637,386.

Service contract towards other group companies - concerning all the various centralised services that Centria has started to perform for some of the other group companies, with a view to improving efficiency and considering that it is the company with the most adequate resources, skills and organisation.

These include services for the SAC, for the management of the SIT, for the Emergency Services, design activities, etc. carried out on behalf of companies such as the subsidiary Murgia Reti Gas, Gergas, Aes Fano and SIG.

Pursuant to Article 2428, paragraph 2, of the Italian Civil Code, the main business relationships between Centria and E.S.T.R.A. S.p.A. (parent company), between Centria and the investee companies, and between Centria and the companies of the Estra group and the shareholders of the parent company Estra spa are reported below.

Company	Receivables	Payables	Costs	Revenue
ESTRA SPA	820,271	109,484,206	12,421,764	191,730
ALIA SERVIZI AMBIENTALI SPA	96,200	2,648,834	2,593,265	39,291
ESTRA ENERGIE SRL	12,171,155	11,794,376	1,068,058	35,902,315
ESTRA COM SPA	8,520	297,304	2,129,642	8,520
ESTRA CLIMA SRL	10,879	29,537	141,659	12,652
GERGAS SPA	316,614	45,000	150,526	275,123
EDMA RETI GAS SRL	572,648	47,637	-1,769,052	592,471
PROMETEO SPA	205,630	253,574	15,398	933,016
AES FANO DISTRIB. GAS SRL	217,332	0	-8,591	148,003
MURGIA RETI GAS SRL	600,537	308,030	-599,756	630,718
SIG	143,030	0	-8,818	141,442
ECOLAT SRL	4,873	0	0	4,873
ECOCENTRE TOSCANA SRL	8,592	0	0	8,592
ECOS SRL	4,844	3,198	39,480	4,844
SEI TOSCANA	37,904	0	0	0
PUBLIACQUA	174,404	114,895	2,620	58,665
Total	15,393,434	125,026,590	16,176,195	38,952,256

With regard to the income statement, revenue from Estra Energie originate from the transmission service, while costs relate to the supply of gas and electricity.

The negative value of the costs to Murgia and Edma Reti relates to the sale of energy efficiency certificates to the two companies, as the consideration is deducted from the purchase cost incurred to acquire those certificates on the market, which were then sold.

Revenue from Estra relate to service and seconded staff, while costs include the service recharged by the parent company plus other costs for recharging policies, leases, condominium expenses, and seconded staff, as detailed above.

The costs from Alia originate from the service.

The costs from Estra Com originate from charges for fixed and mobile telephony, including costs for smart meter SIMs.

Revenue from Prometeo are related to the invoicing of transmission while those from Murgia are related to the recharging of all costs for work performed on behalf of the company and for service, as well as the sale of certain materials.

Revenue from SIG, AES Fano and Gergas are related to services, as better explained in the summary of existing contracts with group companies, and for the latter also from recharging of seconded staff costs.

As regards receivables and payables, please refer to the detailed explanation in the Notes to the Financial Statements in the section on receivables from and payables to the parent company and group companies.

It should also be noted that there is a centralised group treasury management, implemented through the notional cash pooling maintained by the parent company with the group companies; the payables and receivables arising from the application of the cash pooling mechanism are shown in the table above under receivables from or payables to the parent company in relation to the relative balance at the end of the financial year.

As is well known, this instrument provides the member companies the financial resources temporally necessary for the individual company, centralising all financial provisioning in the hands of the parent company.

The centralised management of relations is carried out in order to optimise the group's financial management, which is achieved through:

- for relations with the Banks:
 - a better regulation of monetary flows with the outside world;
 - a favourable negotiation of economic conditions with credit institutions, resulting in lower financial expenses for companies using cash-pooling funds and higher interest income on cash surpluses;
- for relations with the Tax Authority:
 - the centralisation and thus the offsetting of different debit and credit positions for direct tax purposes. This leads to lower financial outlays and limits the creation of difficult and slow-moving credit positions.

15 ECONOMIC RELATIONS WITH CONCESSIONARY MUNICIPALITIES OF THE DISTRIBUTION SERVICE

The concession fees pertaining to 2024 recognised to the municipalities contracted with the natural gas distribution and metering service amounted to a total of € 7,606,522 and are distributed as follows:

- € 2,921,001 paid to the 71 municipalities contracting with the service and shareholders of Coingas S.p.A. of Arezzo, Consiag S.p.A. of Prato and Intesa S.p.A. of Siena;
- € 2,953,190 to the 5 municipalities in which the natural gas distribution and metering service was acquired in concession following public tenders (Cavriglia, Figline Valdarno, Montevarchi, Seravezza, Caprese Michelangelo);
- € 1,426,379 to 4 municipalities of Rieti, Mosciano, Citerna and Magione managed from 2018;
- € 61,420 to municipalities for the LPG service;
- € 244,532 to the municipalities of the Isernia ATEM.

16 OWN SHARES/PARENT COMPANY SHARES

Pursuant to Article 2428, points 3. and 4. of the Italian Civil Code, there are neither own shares nor parent company shares or units held by the company, even through trusts or intermediaries, and that neither own shares nor parent company shares or units have been purchased and/or sold by the company, during the financial year, even through trusts or intermediaries.

17 INFORMATION PURSUANT TO ART. 2428, PARAGRAPH 2, POINT 6-BIS OF THE ITALIAN CIVIL CODE

Pursuant to Article 2428, paragraph 2, point 6-bis of the Italian Civil Code, it should be noted that the main financial instruments used by the group are represented by:

- trade receivables and payables;
- cash and cash equivalents;
- bank debt.

At 31/12/2024, the company no longer had any derivative financial instruments.

18 SECONDARY OFFICES AND LOCAL UNITS

Pursuant to Article 2428, it should be noted that the company has three local units (Arezzo, Prato and Siena), in order to ensure a better coverage of the area where most of the networks is located. The registered office and administrative office is in Arezzo.

There are no secondary offices.

19 COMPANY RISKS AND RISK MANAGEMENT POLICIES – ALLOCATIONS TO PROVISION FOR RISKS AND CHARGES

The company constantly carries out the mapping, analysis and management of company risks in order to assess, in terms of probability and impact, all aspects that may, to some extent, hinder the achievement of corporate targets.

Risks related to tenders for the award of new gas distribution concessions

Current sector regulations provides for the natural gas distribution service to be entrusted through tendering procedures to be carried out by ATEM (Minimum Territorial Area) within pre-defined timeframes. Centria mainly operates gas distribution activities in territories where tenders have to be called for under this regulations.

Although Centria is strongly rooted in the territory where it operates and will benefit from the regime that the law assigns to any outgoing service operator (typically, the right to compensation/reimbursement related to the networks), following the tenders that will have to be called for the assignment of the concessions, Centria could be awarded the concessions at less favourable conditions than the current ones, with possible negative effects on its economic and financial situation. The actions already in place to improve and optimise its operations have already had positive effects in previous financial years, in 2024 it was intended to prevent this risk by implementing specific projects aimed at improving the company's performance, with initiatives designed to offset the negative effects of the new ATEM concessions. Centria owns the majority of the gas distribution networks in the municipalities where it provides this service.

Uncertainties related to the remaining duration of gas distribution concessions/assignments held by Centria

In the case of ATEM tenders, the generalised delay related to the planned timeframe (Italian Ministry of Economic Development Decree no. 226/2011 and subsequent amendments) is now evident.

In December 2020, the Prato ATEM tender, now revoked, was called. The remaining tenders in our reference territories are expected to be launched over the next two years. In general, it is not possible to reliably forecasts the expiry date of the tender procedures and the related judicial appeals – whether they will be promoted and whether they will result in the suspension of the awarding of the tender; however, as reported above, the Prato ATEM will start the process again from 2024, so the publication of the call for tenders is not likely before the end of 2025, also for the other tenders (Arezzo and Siena) the call for tenders could be published by 2025, specifically in Arezzo it could be published by 2025 and Siena in the first half of 2026. It is therefore necessary to monitor the progress of the ATEMs and prepare appropriate bidding strategies.

Risks related to white certificates

According to the applicable regulations, Centria shall achieve certain annual energy saving targets, as determined by decree of the Italian Ministry of Economic Development for the four-year period from 2021 to 2024. If the Company is not able to obtain a sufficient number of "white certificates" to meet its annual target, it will have to purchase them on the market.

In addition, if it fails to deliver the required number of "white certificates" to the GSE, it will be subject to a penalty imposed by ARERA, in addition to having to purchase the missing number of "white certificates".

In order to meet its energy saving obligations, the Company intends to produce "white certificates" itself or to purchase them on the market in order to reach the annual target.

Should the white certificate market again become "short", leading to a price increase, Centria will have to bear higher costs, which could negatively affect the business.

Risks related to debt

Centria derives its financial resources mainly through the traditional banking channel and with traditional instruments such as medium-/long-term loans, mortgages, short-term bank credit facilities and credit lines, and from the flows deriving from business operations, as part of business relationships with debtors for services rendered and with creditors for purchases of goods and services. Financial debt is influenced by the seasonality of the business and, consequently, fluctuates significantly during the year. The risks of debt re-financing are managed by monitoring the maturities of loans and by coordinating debt with the types of investments, in terms of the liquidity of the assets in which they are invested. Centria is considered to be highly reliable within the banking system. It is understood, however, that there is no guarantee that Centria will be able to obtain financial resources in the future under the same terms and conditions as hitherto. This situation could arise due to circumstances beyond Centria's control, such as a general disruption in the relevant market.

Loans and borrowings

The situation at 31/12/2024 of the loans and borrowings taken out is shown in the following table, which lists the outstanding mortgages and/or loans by specific Credit Institution:

INSTITUTION	YEAR			Nominal
	2025	2026	2027	
UNICREDIT 50 M	10,168,145	10,404,037	2,638,506	23,210,688
CREDEM 10 M	2,290,601	2,378,471	0	4,669,072
ESTRA 70 M			70,000,000	70,000,000
Grand total	12,458,746	12,782,508	72,638,506	97,879,760

For the sake of a better understanding, it should be noted that, unlike the borrowing data indicated above, the bank payables shown in the table on page 39 of the Notes to the Financial Statements also include € 39 thousand of short-term payables to banks other than loans and borrowings (for details, see the relevant section of the Financial Statements) and are shown in the Balance Sheet net of the effect of the amortised cost adjustment, amounting to € 64 thousand.

Loans and borrowings are backed by guarantees and sureties issued by the parent company Estra.

In relation to the shareholder loan granted by Estra, it should be noted that it is a bullet loan of € 70 million maturing in 2025.

The interest rate applied is equal to the 6-month Euribor (measured at the beginning of the period) with zero floor, plus a spread of 258 bps.

Interest rate risks

Centria is exposed to fluctuations in interest rates, especially with regard to the extent of financial expenses relating to borrowings. Centria mitigates the risk of floating-rate borrowings through investments and liquidity investments that are substantially indexed to short-term rates. In addition, the interest rate risk management policy pursues the aim of limiting this volatility through the identification of a mix of medium-/long-term fixed-rate and floating-rate loans and through the use of IRS hedging derivatives stipulated with financial counterparties of high credit standing that limit interest rate fluctuations. Taking into account active interest rate risk monitoring policies, any future rise in interest rates should not have a particularly negative impact on Centria's economic and financial situation.

Exchange rate risks

At present, there are no risks associated with exchange rate fluctuations that could have a material impact on Centria's financial and economic situation, with the exception of the commodities price risk.

Credit risk management

The Company is not exposed to a credit risk that is higher than the industry average. Credit management involves periodic analysis and close monitoring by management of the positions most at risk. The Company's customers are in any case traceable to companies within the Estra Group or within groups of significance in the context of the national energy market, thus minimising the credit risk of the activity carried out within the natural gas distribution and metering service.

Centria's credit risk is essentially attributable to relations with:

- the parent company, so the use of particular hedging instruments was not deemed appropriate;
- the sales companies, by virtue of the business relationships connected to the transmission of gas, for which there is no particular hedging need, in relation to the financial guarantees required by current regulations.

In any case, the credit management procedure is adequate and is based on regular monitoring of open positions with customer and vigilance against the negative effects of liquidity crises that customers may encounter.

Liquidity risk

Liquidity risk is defined as the risk that Centria is unable to meet its payment obligations when they fall due. Centria's liquidity could be adversely affected by the inability to sell its products and services, unexpected cash outflows, the obligation to provide more collaterals or the inability to access capital markets.

This situation could arise due to circumstances beyond Centria's control, such as a general disruption in the relevant market or an operational problem affecting Centria or third parties, or even the perception among market operators that Centria or other market operators are experiencing increased liquidity risk. A liquidity crisis and loss of confidence in financial institutions may increase Centria's borrowing costs and limit its access to some of its traditional sources of liquidity.

The Finance Function is centralised by the parent company Estra in order to optimise the procurement and use of financial resources. In particular, the centralised management of cash flows in Estra through both a cash pooling system and a current accounts centralisation system of the prevalence of receipts and payments, makes it possible to allocate available funds at Group level according to the needs that arise from time to time among the individual companies.

The current and prospective financial situation and the availability of adequate bank credit facilities are constantly monitored. Through its relations with the main credit institutions, the Issuer seeks the forms of financing best suited to its needs and the best market conditions.

Provision for risks and charges – legislative and regulatory risk

- The Company operates in a highly regulated sector. Risk factors in management activities therefore include the constant and not always predictable evolution of the reference legislative and regulatory context for the natural gas sector.
- With respect to these risk factors, the Company adopts monitoring and management policies capable of mitigating, as far as possible, their effects, through accountability safeguards that envisage collaborative dialogue with institutions and regulatory bodies in the sector, active participation in trade associations and working groups set up at the same bodies, as well as the examination of regulatory developments and provisions of the sector Authority.
- Among the main areas of ongoing legislative and regulatory developments are:
 - the evolution of legislation affecting the achievement of energy efficiency saving targets;
 - the legislation concerning the programme for the gradual replacement of the gas meters (resolution 631/2013/R/gas);
 - legislation providing for the reimbursement of the residual value of smart meters decommissioned early because they do not work.

Risks arising from the approval of new tariff systems

Under the tariff system currently in place, Centria's revenue are largely updated according to criteria set by the AEEGSI - Authority for Electricity, Gas and Water.

The new 2020-2025 RTDG introduced very substantial reductions in the tariff recognition of operating costs to the operator. For Centria, this accounts for a reduction from 2019 to 2020 of 7.7% and 3.5% for the following years until 2025, a reduction recently mitigated by ARERA Resolution 87/2025 as a result of the conclusions of the disputes brought by distributors. From 2026, the new ROSS BASE (Sustainable Expenditure Oriented Regulation) tariff system is expected. This approach is used to determine the recognised cost of regulated infrastructure services in the electricity and gas sectors. The main objective is to ensure that costs are sustainable and justified, while promoting efficiency and transparency. Of this new approach only the general principles are known to date, but not the application details. Among other things, a call for greater efficiency and appropriateness in investments and capitalisation is expected. In this respect, already from 2023 Centria has already made choices in terms of future investments, asset and operational management improvement projects that should lead us to land in 2026 on the new tariff system as painlessly as possible. In any case, developments will be closely monitored so as to prevent and correct investment approaches in order to avoid unintended consequences as far as possible.

Risks arising from ongoing legal proceedings

Centria is involved in a number of civil, administrative (mainly related to AEEGSI acts or public service concessions), tax and labour law proceedings (both as plaintiff and as defendant), which relate to the ordinary management of activities in the natural gas distribution sector and the sale of LPG.

In the presence of current obligations, resulting from past events, which may be of a legal or contractual nature or result from conduct from which a probable obligation may arise, Centria has made provisions for risks and charges under liabilities in the balance sheet. For more details, please refer to the Disputes section of the Notes to the Financial Statements.

Risks associated with insurance coverage

Centria carries out activities that could expose it to the risk of suffering or causing damage that is sometimes difficult to foresee and/or quantify. Although the administrative bodies consider that they have taken out insurance policies appropriate to their activities, if events occur for any reason that are not included in the insurance coverage or that cause damage in excess of the coverage,

Centria would be required to bear the related charges with consequent negative effects on its economic, equity and financial situation.

Environmental risks related to the Group's activities

Centria's activities are subject to Italian and European Union regulations on environmental and health protection, and all activities are carried out in compliance with these regulations and any authorisations requested and obtained.

Although Centria carries out its activities in compliance with environmental and safety laws and regulations, it cannot be excluded that it and other companies in the Group may incur costs or liabilities with regard to environmental protection.

Risks associated with guarantees given to the Group

Centria is the guarantor of the parent company Estra S.p.A. for two loans (BNL bonds) of € 80 million, plus an additional partial guarantee of € 29,972,711 on USPP of € 70 million. In addition to these guarantees, a further € 77.5 million in guarantees were provided in favour of the parent company in 2023.

The total guarantees given for the parent company thus amount to € 187,472,711.

20 STRATEGIC OBJECTIVES AND BUSINESS OUTLOOK

In 2024, Centria continued on the path towards a continuous improvement that had originated during these years of both organisational and technological change. Numerous projects started in previous years were completed and new ones were initiated in order to optimise performance and enable the Company to pursue the challenging strategic objectives it has set itself.

Application map

During 2024, the Company was engaged in a major project to replace its application map, designed to be adopted by all gas distribution companies belonging to the Group.

This commitment achieved its planned target, with the new management system starting on 1 January 2025.

On the same date, a further distribution company adopted the same application map, and other companies are expected to adopt it by the end of 2025.

Specifically fine-tuned by Centria and the Group's IT function, the application map adopted is designed to meet the main challenges related to the efficiency of infrastructure management activities, commercial activities and new processes related to the feeding of renewable gas into the network.

A further element characterising the Company's vision of digital evolution is that the new application map is designed to be integrated into the context of the Group's "Control Room" to ensure centralised monitoring of assets and operational performance. Full integration is expected in the coming calendar year.

Digitisation of networks and plants

To meet the technological challenges mentioned above, Centria developed and implemented a digitised network and plant management system aimed at industrial automation. This last feature was in fact the main system requirement, so that the process development and advanced management that will be typical of the future "gas smart network" is already possible today. The system implements a concrete digitalisation of assets, through the real-time measurement of all network operating parameters and the possibility of enabling advanced and automatic management logics.

Centralisation of activities

Centria is the Group's main distribution company and has been providing specialised technology services to the other affiliated distribution companies for some years now. The year 2024 saw a major acceleration of the process of centralising technological and specialised activities, with the aim of generating synergies and new efficiencies through the centralisation of further processes.

2024 Investment Plan and preparation of the 2025-2029 Business Plan

In 2024, Centria grounded its most challenging investment plan ever, managing to complete almost all of its planned commitments and achieving a deserved result thanks to the contribution of all of the Company's operational areas that worked together to achieve the planned target.

Furthermore, at the request of the parent company and in continuity with what was achieved in 2024, given the extraordinary results achieved, Centria was involved in the drafting of a five-year Business Plan that will cover the 2025-2029 plan period.

The business plan includes even more challenging targets for the company throughout the plan period and has been accompanied by a specific strategy for its implementation through continuous monitoring and the consolidation of a dedicated working group. Many projects have already started in 2024 with design activities and tender preparations in order to meet planned schedules; the Company is also continuing to implement efficiency policies aimed at reducing the incidence of distribution operating costs and improving production processes.

Project organisation

Precisely to address the ever-increasing number of challenges and innovations to be introduced within the Company, Centria's organisation has also been increasingly evolved, not only in terms of functions, but also in terms of projects, with a view to sharing skills and pooling the experience among colleagues from different operational areas, in order to achieve challenging targets and deliver ever better results.

With a view to working by projects and in order to achieve cost reductions and process efficiencies, several specific projects are being studied, including an assessment of the simplification of the corporate structure of Estra's distribution area, which obviously sees Centria as the main and central player in the transformations.

While maintaining the traditional focus on managed territories, regulatory compliance and the high safety standards achieved, the improvement of Centria's performance is a central target that takes on a more strategic character from a tender perspective, in addition to the natural one of contributing to the strengthening of the group by improving its economic and organisational performance.

Centria continues to focus on its targets of:

1. completing major investments in the territories and networks already acquired, in order to increase their security and resilience and to optimise operations;
2. participating in the upcoming industry tenders, with relevant technological and organisational innovations.

Innovation and energy transition

With reference to the pursuit of its strategy within the energy transition, aimed at maximising the use of renewable gas in its networks and the efficient use of energy, in 2023 the Group was one of the winners in the selection of a "pilot project to optimise the management and use of infrastructures in the natural gas sector" published by ARERA with Resolution 404/2022/R/gas. Centria's proposal, namely the construction of a reverse flow gas plant on the Asciano (SI) network, was deemed eligible and achieved second overall ranking. During 2024, therefore, Centria carried out and completed the permitting, design and construction of the reverse flow gas plant, in line with the proposal made to ARERA.

The plant was tested and declared operational on 19/12/2024. In fact, the plant makes it possible to transform the Asciano gas network from a mono-directional to a bi-directional one, according to an innovative logic, maximising the input of biomethane and thus favouring the diffusion of renewable energy in the gas infrastructure.

In 2024, the third biomethane feed-in connection to the Centria network in the municipality of Asciano was activated. During 2024, the three plants connected to Centria's networks (Arezzo, Mosciano S. Angelo and Asciano) injected 4.7 million smc of biomethane into the network, equivalent to over 9,000 tons of CO₂ emissions avoided.

In 2024, work continued on the three-year SmartHydroGrid project, in partnership with industrial entities and research institutions. The "Smarthydrogrid -Smart Hydrogen Microgrid for Energy Transition and Deep Decarbonisation" project has been selected by MITE (Italian Ministry of Ecological Transition) and is one of the 15 projects eligible for funding under the NRRP (National Recovery and Resilience Plan). The main activity concerned the design of the Power to Gas plant, dedicated to the production and storage of green hydrogen, which will be installed at the REMI cabin in Arezzo¹; in particular, compatibility studies and regulatory verification were carried out with respect to current fire prevention legislation for hydrogen gas production and storage plants.

Also as part of its activities to support the transition to a decarbonised energy system, Centria established an important collaboration with ENEA in the area of system research in the electricity sector. During the year, a set of tests aimed at assessing the operational impact of mixtures of natural gas and hydrogen in distribution networks were carried out at the Arezzo test field by Centria staff. The tests were carried out with the support of the DIEF Department of the University of Florence. For the finalisation of the tests, the Test Field underwent a technical and regulatory upgrade with the realisation of new dedicated infrastructure.

Also in the course of 2024, thanks to the strong focus on the digitalisation topics of the distribution network and process automation, a digital management system for optimising the energy used in the natural gas pre-heating process and the automation of the thermal power stations of the main gas pressure reduction plants was put into production. The system achieves an average reduction of self-consumption in the order of 40%.

21 PROPOSALS OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING

Dear Shareholders,

Centria's annual financial statements at 31 December 2024 closed with a profit of € 6,643,368.

We thank you for the trust you have placed in us.

The Board of Directors proposes to allocate the profit for the year, amounting to € 6,643,368, as follows:

- € 332,168.40, equal to 5.00% of the realised profit, to increase the legal reserve;
- € 6,311,199.60 for distribution to shareholders according to their respective shares.

Arezzo 26/03/2025

*For the Board of Directors
The Chief Executive Officer
Riccardo Matteini*

CENTRIA SRL

Registered office: Via I. Cocchi, 14 – 52100 AREZZO (AR)

Administration office: Viale Toselli, 9/A – 53100 SIENA (SI)

Administration office: Via U. Panziera, 16 – 59100 PRATO (PO)

Share Capital €249,000,000 fully paid up

Tax Code, VAT and entry number in the Companies Register of Arezzo: 02166820510 – Economic and
Administrative Index (REA) no. 166736

FINANCIAL STATEMENTS AS AT 31/12/2024

BALANCE SHEET AS AT 31 DECEMBER 2024

ASSETS	31/12/2024	31/12/2023
A) SUBSCRIBED CAPITAL, UNPAID		
B) FIXED ASSETS	515,229,455	497,264,984
I - Intangible assets	6,606,472	6,769,646
3) Industrial patent and intellectual property rights	2,825,329	3,180,104
6) Fixed assets under construction and advances	3,665,504	3,473,797
7) Other intangible assets	115,640	115,745
II - Property, plant and equipment	409,254,103	391,147,062
1) Land and buildings	1,301,236	1,348,828
2) Plant and machinery	350,284,815	338,057,980
3) Industrial and commercial equipment	47,743,739	46,138,426
4) Other assets	340,778	395,730
5) Fixed assets under construction and advances	9,583,536	5,206,099
III - Financial fixed assets	99,368,880	99,348,277
1) Equity investments	94,136,694	94,136,694
a) Investments in subsidiaries	94,136,694	94,136,694
2) Receivables	5,232,186	5,211,583
a) Receivables from subsidiaries		
d bis) Receivables from others	5,232,186	5,211,583
<i>from others beyond 12 months</i>	<i>5,232,186</i>	<i>5,211,583</i>
C) CURRENT ASSETS	72,863,087	65,757,598
I - Inventories	2,494,057	3,563,704
1) Raw materials	2,494,057	3,563,704
II - Receivables	70,077,583	58,999,432
1) Trade receivables	13,651,938	8,476,231
<i>from customers within 12 months</i>	<i>13,651,938</i>	<i>8,476,231</i>
2) Receivables from subsidiaries	1,489,799	1,509,760
<i>from subsidiaries within 12 months</i>	<i>1,489,799</i>	<i>1,509,760</i>
4) Receivables from parent companies	916,471	1,711,259
<i>from parent companies within 12 months</i>	<i>707,689</i>	<i>1,502,477</i>
<i>from parent companies beyond 12 months</i>	<i>208,782</i>	<i>208,782</i>
5) Receivables from companies subject to control of parent companies	12,588,898	6,492,592
<i>from companies subject to control of parent companies within 12 months</i>	<i>12,588,898</i>	<i>6,492,592</i>
5 bis) Tax receivables	-	1,703,594
<i>taxes within 12 months</i>	-	<i>1,703,594</i>
5 ter) Deferred tax assets	15,334,830	14,516,403
5 quater) Receivables from others	26,095,648	24,589,592
<i>from others within 12 months</i>	<i>20,794,955</i>	<i>19,374,491</i>
<i>from others beyond 12 months</i>	<i>5,300,694</i>	<i>5,215,101</i>
IV - Cash and cash equivalents	291,446	3,194,462
1) Bank and postal deposits	291,431	3,194,446
3) Cash and valuables on hand	16	16
D) ACCRUED INCOME AND PREPAID EXPENSES	39,146	45,985
TOTAL ASSETS	588,131,688	563,068,568

LIABILITIES	31/12/2024	31/12/2023
a) SHAREHOLDERS' EQUITY	332,004,666	325,672,560
I - Share capital	249,000,000	249,000,000
II - Share premium reserve	32,496,858	32,496,858
IV - Legal reserve	6,041,647	5,991,938
VI) OTHER RESERVES	37,822,793	37,191,582
of which Extraordinary reserve	37,822,793	37,191,582
VIII - Retained earnings (Losses carried forward)		-2,007
IX - Operating result	6,643,368	994,189
B) PROVISIONS FOR RISKS AND CHARGES	5,710,317	6,192,275
2) for taxes	208,305	237,642
4) other provisions for risks and charges	5,502,012	5,954,633
C) EMPLOYEE SEVERANCE INDEMNITY PROVISION	2,149,469	2,163,501
D) PAYABLES	203,910,422	184,311,868
3) payables to shareholders for loans	70,000,000	70,000,000
<i>to shareholders for loans beyond 12 months</i>	<i>70,000,000</i>	<i>70,000,000</i>
4) amounts due to banks	27,854,349	45,701,242
<i>to banks within 12 months</i>	<i>12,497,574</i>	<i>17,950,396</i>
<i>to banks beyond 12 months</i>	<i>15,356,775</i>	<i>27,750,847</i>
6) advance payments	468,215	472,880
<i>advance payments within 12 months</i>	<i>16,350</i>	<i>27,399</i>
<i>advances beyond 12 months</i>	<i>451,865</i>	<i>445,481</i>
7) trade payables	37,807,188	31,934,905
<i>to suppliers within 12 months</i>	<i>37,578,396</i>	<i>31,775,616</i>
<i>to suppliers beyond 12 months</i>	<i>228,792</i>	<i>159,289</i>
9) payables to subsidiaries	400,667	173,893
<i>to subsidiaries within 12 months</i>	<i>400,667</i>	<i>173,893</i>
11) payables to parent companies	42,133,041	16,993,799
<i>to subsidiaries within 12 months</i>	<i>42,133,041</i>	<i>16,993,799</i>
11 bis) payables to companies under control of parent companies	12,492,883	12,406,697
<i>within 12 months</i>	<i>597,648</i>	<i>511,462</i>
<i>beyond 12 months</i>	<i>11,895,235</i>	<i>11,895,235</i>
12) tax payables	1,064,626	306,081
<i>taxes within 12 months</i>	<i>1,064,626</i>	<i>306,081</i>
13) payables to social security institutions	645,867	637,945
<i>to social security institutions within 12 months</i>	<i>645,867</i>	<i>637,945</i>
14) other payables	11,043,587	5,684,426
<i>to others within 12 months</i>	<i>10,328,164</i>	<i>4,969,003</i>
<i>to others beyond 12 months</i>	<i>715,423</i>	<i>715,423</i>
E) ACCRUED EXPENSES AND DEFERRED INCOME	44,356,815	44,728,364
TOTAL LIABILITIES	588,131,688	563,068,568

INCOME STATEMENT AS AT 31 DECEMBER 2024

INCOME STATEMENT	2024	2023
A) PRODUCTION VALUE	115,440,977	88,935,974
1) revenue from sales and services	67,039,067	59,214,664
4) increases in fixed assets from in-house production	19,190,817	17,129,476
5) other revenue and income	29,211,093	12,591,835
Various	27,806,910	11,114,572
operating grants	1,404,183	1,477,262
B) PRODUCTION COSTS	100,494,748	82,109,976
6) external purchases of raw materials, supplies, consumables and goods	11,752,654	10,475,701
7) external purchases of services	15,237,218	15,566,838
8) cost for use of third-party assets	10,218,579	9,887,698
9) personnel costs	13,066,485	12,739,282
a) wages and salaries	9,115,039	8,834,969
b) social security contributions	3,323,225	3,293,726
c) employee severance indemnity	603,708	586,382
e) other personnel costs	24,513	24,205
10) depreciation, amortisation and write-downs	22,833,419	23,135,149
a) amortisation of intangible assets	1,705,166	1,345,565
b) depreciation of property, plant and equipment	20,754,971	20,085,178
c) other write-downs of fixed assets	265,647	1,630,906
d) write-down of receivables	107,635	73,500
11) change in inventories of raw materials, supplies, consumables and goods	1,069,647	1,256,291
14) sundry operating expenses	26,316,746	9,049,018
(A-B) DIFFERENCE BETWEEN PRODUCTION VALUE AND PRODUCTION COSTS	14,946,229	6,825,998
C) INCOME AND FINANCIAL EXPENSES	-6,426,581	-6,514,736
15) income from equity investments	2,902,718	2,467,055
a) in subsidiaries	2,902,718	2,467,055
16) other financial income	191,239	311,477
d) financial income other than the above	191,239	311,477
3) parent companies	91,293	291,778
Others	99,947	19,699
17) interest and other financial expenses	9,520,539	9,293,267
c) to parent companies	6,530,989	4,375,536
d) to others	2,989,549	4,917,732
PROFIT BEFORE TAX	8,519,648	311,262
20) income taxes for the financial year	1,876,280	-682,926
Current taxes	2,733,123	891,876
deferred taxes	-29,337	-30,304
prepaid taxes	-818,427	-1,622,317
taxes relating to previous years	-9,079	77,819
RESULT FOR THE FINANCIAL YEAR	6,643,368	994,189

STATEMENT OF CASH FLOWS		2024	2023
A) Cash flows from operating activities			
Profit (loss) for the financial year		6,643,368	994,189
Income taxes		1,876,280	-682,926
Interest expense (income)		9,329,299	8,981,790
(Dividends)		-2,902,718	-2,467,055
(Gains) Losses on disposal of fixed assets		1,330,321	1,879,010
1. Profit (loss) for the financial year before income taxes, interest, dividends and capital gains/losses on disposal		16,276,550	8,705,008
Amortisation and depreciation of fixed assets		22,460,137	21,430,743
Impairment write-downs		265,647	1,630,906
Accrued portion of equipment contributions		-1,404,183	-1,477,262
Allocation to employee severance indemnity provision		603,708	586,382
Allocations/(reversals) for risks provisions and other allocations		496,441	2,346,000
2. Cash flow before changes in net working capital		38,698,300	33,221,777
Change in net working capital			
- Decrease/(increase) in trade receivables		-10,457,262	-13,788,334
- Decrease/(increase) in inventories		1,069,647	1,256,291
- Increase/(decrease) in trade payables		10,350,351	-18,504,832
- Other changes in net working capital		4,836,126	-1,642,796
- Changes in tax receivables/(payables)		-6,904	256,224
- change in employee severance indemnity (net of allocation)		-617,740	-711,162
3. Cash flow after changes in net working capital		43,872,517	87,167
<i>Other adjustments</i>			
Interest received		173,281	241,237
(Interest paid)		-8,135,576	-7,052,120
(Taxes paid)		-255,000	-2,228,273
Dividends received		2,902,718	2,467,055
(Use of provisions)		-949,062	-418,941
4. Cash flows from operating activities		37,608,878	-6,903,875
TOTAL cash flows from operating activities (A)		37,608,878	-6,903,875
B. Cash flows from investing activities			
Investments in property, plant and equipment		-40,398,994	-27,339,935
Investments in intangible assets		-3,189,202	-4,191,118
Divestments of property, plant and equipment and intangible assets		1,652,598	42,394
(Investments)/Disposals in financial fixed assets			
TOTAL cash flows from investing activities (B)		-41,935,598	-31,488,659

C. Cash flows from financing activities		
<i>Third Party financing</i>		
Increase (decrease) in non-current financial assets	-20,603	-5,762
Increase (decrease) in cash pooling	20,969,468	69,225,412
Increase (decrease) in amounts due to banks	-19,213,898	-23,825,265
<i>Shareholders' equity</i>		
Dividends (and interim dividends) paid	-311,262	-4,935,823
TOTAL cash flows from financing activities (C)	1,423,704	40,458,562
Increase (decrease) in cash and cash equivalents (A+B+C)	-2,903,016	2,066,028
Cash and cash equivalents at the beginning of the financial year	3,194,462	1,128,434
Cash and cash equivalents at the end of the financial year	291,446	3,194,462

For the Board of Directors
The Chief Executive Officer
Riccardo Matteini

Centria S.r.l.

Registered office: Via I. Cocchi, 14 – 52100 AREZZO (AR)

Administration office: Viale Toselli, 9/A – 53100 SIENA (SI)

Administration office: Via U. Panziera, 16 – 59100 PRATO (PO)

Share Capital € 249,000,000 fully paid up

Tax Code, VAT and entry number in the Companies Register of Arezzo: 0216682510 - Economic and Administrative

Index (REA) no. 166736

Notes to the Financial Statements as at 31.12.2024

Foreword

Dear Shareholders,
these financial statements, submitted for your examination and approval, show a profit for the financial year of € 6,643,368.

Your company was incorporated as a limited liability company on 22 October 2013 by deed executed by Notary Renato D'Ambra registered in Prato under number 50666.

The initial share capital was € 10,000 fully subscribed by E.S.Tr.A. S.p.A. (hereinafter also "Estra SpA"). Subsequently, with the Extraordinary Shareholders' Meeting held on 18/12/2013 and effective from 01/01/2014, a share capital increase was resolved by Estra S.p.A. for an additional € 179,990,000, with the contribution of the business unit consisting of the set of activities and services carried out in the natural gas distribution sector and in the distribution and sale of LPG, including the ownership of the structural equipment.

Subsequently, in 2017, a further contribution for share capital increase was made by Energie Offida. At 31 December 2024, Centria's share capital was € 249,000,000.

Activity carried out

Pursuant to the provisions of the Italian Civil Code concerning financial statements and, specifically, in compliance with the provisions of Article 2427 of the Italian Civil Code, the following information is provided to supplement the information expressed by the accounting values in the Balance Sheet and Income Statement.

During the 2024 financial year, the company's main activities were the distribution and measurement of natural gas, the distribution and marketing of LPG, and the management of adduction and distribution plants and networks.

Please refer to the appropriate sections of the Report on Operations with regard to the nature of the undertaking's business and relations with related parties and with subsidiaries and associates.

Information on the company preparing the consolidated financial statements of the largest/smallest group of undertakings to which the undertaking belongs as a subsidiary

Pursuant to Article 2359 of the Italian Civil Code, the Company is controlled ESTRAS.p.A., which, as established by the same Estra S.p.A., does not exercise direction and coordination over Centria.

The company bodies enjoy full and unconditional autonomy from a management point of view, as the preparation of strategies is carried out without any interference from the controlling shareholder.

From 2023 ESTRA S.p.A. is subject to management and coordination by Alia Servizi Ambientali S.p.A.

Description	Larger set	Smaller set
<i>Company name:</i>	Alia Servizi Ambientali S.p.A.	Estra S.p.A.
<i>Registered office:</i>	FLORENCE - Via Baccio da Montelupo 52	PRATO - Via U. Panziera 16
<i>Place of filing of the copy of the consolidated financial statements</i>	FLORENCE - Via Baccio da Montelupo 52	PRATO - Via U. Panziera 16

Significant events during the financial year

The significant events that occurred during the financial year are fully described in the Report on Operations, to which reference is made.

Significant events occurring after the end of the financial year

No significant events occurred after the end of the financial year.

Ongoing disputes

1. Ongoing proceedings with Toscana Energia

Following the final award to Toscana Energia of the tender for the assignment of the natural gas distribution service in the territory of the Municipality of Prato, Centria, on 31 August 2015 Toscana Energia and the Municipality of Prato signed the network handover document (with the relative plants and assets constituting the natural gas distribution system), with the simultaneous payment by Toscana Energia to Centria of a network compensation value equal to € 85,538 thousand plus VAT.

During the 2016 financial year, Estra and Centria brought a legal claim before the Court of Prato against the Municipality of Prato and Toscana Energia in order to obtain the sentence for Toscana Energia, or alternatively for the Municipality of Prato, to pay the sum of € 9,613 thousand, in addition to the lower amount provided for in the call for tenders and paid to the outgoing operator Centria for the handover of the networks, as a result of the application of a contested indexation and revaluation mechanism of the same on the basis of the passage of time between the call for tenders and the networks handover.

At the basis of the subordinate claim brought against the Municipality of Prato, there was, inter alia, a settlement agreement signed between Estra and the Municipality of Prato on 17 November 2011 with which, among other things, the parties had intended to settle the mutual disputes concerning the compensation value of the network due by the incoming operator to the outgoing operator, against Estra's commitment to pay the Municipality of Prato € 7,700 thousand (of which € 1,700 thousand paid on 17 November 2011).

In the context of the proceedings pending before the Court of Prato, Toscana Energia and the Municipality of Prato, in addition to pleading the groundlessness of the proposed claim, brought a series of counterclaims and, in particular:

- the Municipality of Prato filed a counterclaim to obtain the payment of the sum of € 6,000 thousand on account of the provisions of the above-mentioned settlement agreement entered into in 2011 to determine, inter alia, the value of the compensation due to the outgoing operator;

- Toscana Energia filed a counterclaim for the payment of an amount of € 1,742 thousand on the basis of an alleged different consistency of the network compared to what was represented by the outgoing operator.

With ruling no. 387/2020 published on 14 August 2020, the Ordinary Court of Prato ordered Estra S.p.A. to pay to the Municipality of Prato the sum of € 6,000 thousand, plus interest, pursuant to the provisions of the above-mentioned 2011 settlement agreement.

On the other hand, the Court held that it is within the jurisdiction of the Administrative Judge to answer the legal claim filed during the 2016 financial year by Estra and Centria against the Municipality of Prato and Toscana Energia for the recognition of € 9,613 thousand and the counterclaim by Toscana Energia for the recognition of the payment of € 1,742 thousand.

With a settlement deed of 2 December 2020, containing, inter alia, the waiver pertaining to Estra and Centria to appeal against the sentence limited to the part in which it orders the payment to the Municipality of Prato, the parties agreed to defer the payment of the total amount of € 6,050 thousand, inclusive of interest, in three annual instalments due on 31 January 2021, 31 January 2022 and 31 January 2023.

On 26 February 2021 Estra and Centria appealed against the ruling and Toscana Energia also filed a separate appeal before the Court of Appeal of Prato. Estra and Centria appeared in the independent rehearing brought by Toscana Energia requesting the rejection of the counterparty's claims. The two appeal proceedings were joined. The first hearing for the joined proceedings was postponed to 7 May 2024.

It should be noted that in 2015 Estra and Centria had also brought an action before the Regional Administrative Court of Tuscany for the declaration of nullity and/or for the annulment of determination no. 1058 of 14 May 2015 of the Municipality of Prato in the part in which it had changed to € 80,903,284.00 as at 31 December 2014 the amount of reimbursement due to Centria Srl, as outgoing operator of the natural gas distribution service in the territory of the Municipality of Prato, without prejudice to the obligation for the new concessionaire to reimburse the outgoing operator the sum of € 4,634,110.00 for the extensions to the networks carried out in the medium term, instead of the amount of € 90,500,000.00 indicated in the letter of invitation.

The Regional Administrative Court had ruled that the administrative court lacked jurisdiction in this matter. The companies had therefore decided to resume the case before the Court of Prato.

The counterparties had filed a motion for a stay of the judgment, which Centria opposed. Instead, the judge decided by order to suspend the trial until the settlement of the appeal proceedings against judgment of the Court of Prato no. 387/2020, pending before the Court of Appeal of Florence between the same parties. Centria and Estra decided to appeal to the Court of Cassation against this act.

In the context of the above-mentioned jurisdiction regulation judgment, in a ruling of 20 December 2023, the Court of Cassation ordered that the proceedings continue before the General Court.

Therefore, on 30 January 2024, an application was filed to set a hearing for the continuation of the proceedings. By order of 1 February 2024, the Court of Prato set the hearing for 16 April 2024.

At that hearing, taking note of the Supreme Court's ruling, the judge granted time limits for pleadings pursuant to Article 183, paragraph 6, and set a new hearing for 24 September 2024.

At the hearing on 24 September 2024, the parties respectively insisted on the request for evidence and reiterated their position. The judge reserved their position on the requests for evidence.

By order of 5 December 2024 dissolving the reservation previously formulated, the Court of Prato decided on the evidence requested and, in particular:

- ordered the acquisition of the expert's report from the previous judgment on Turboespondore;
 - entrusted the same expert witness (Mr. Paolo Taddei Pardelli) with the task of estimating the value of the pipelines and connections removed;
 - did not admit all the other evidence requested and, in particular, did not admit the technical appraisal requested by the counterparties concerning the tariff recovery, by the outgoing operator, of the plant depreciation accrued in the meantime.
- Finally, they set a deadline of 14 January 2025 to appoint the defendant's expert witness and to propose any corrections to the question.

With regard to the reserves put forward by Toscana Energia when signing the network handover document, some of which have already been accepted by the Municipality of Prato, it was deemed appropriate for prudential purposes to retain the risks provision of € 1,752 thousand recognised in previous years.

2. Disputes with the Municipalities of Seravezza and Valdarno on Concession Fees

Centria S.r.l. has initiated legal disputes with the Municipalities of Seravezza and the Municipalities of Valdarno (Montevarchi, Cavriglia and Figline Valdarno) concerning the determination of the fees due to these Municipalities for the period, following the contractual expiry, in which Centria has continued and is continuing to exercise the activity of natural gas distribution under prorogation by operation of law.

In particular, supported by its lawyers, the Company believes it is entitled to a reduction in the fees established in the concession agreements, which expired during 2016 for Seravezza and during 2014 for the Valdarno municipalities.

With regard to the Municipality of Seravezza, whose annual concession fee contractually amounts to approximately € 500 thousand, on 30 September 2019, the Court of Lucca upheld Centria's arguments, stating that the Municipality was and is obliged to renegotiate the fee after the expiry of the concession in compliance with the general clauses of good faith and fairness, in order to protect the economic and legal balance of the relationship between the parties.

As a result of this ruling, in May 2020 Centria S.r.l. and the Municipality of Seravezza signed a settlement agreement on the quantification of the fee due to the Municipality for the years 2016 and 2017, determining them to be a total of € 861 thousand per year.

For the years 2018 to 2021, the fee is provisionally set at € 150 thousand, pending regulatory/legal clarifications or clarifications by the industry authorities on the issue of post-expiry fees. Pending these clarifications, the company has prudently recognised a provision for the contractual fees in the balance sheet. Notwithstanding the settlement agreement, which should have closed the dispute, in December 2021 the Municipality of Seravezza requested the payment in full of the fees under contract index no. 128/2005 with reference to the post-expiry period and, specifically, with reference to the years 2018, 2019, 2020 and 2021, in addition to the amounts already paid by the Company.

This request was totally contested by Centria. In response, the Municipality served an injunction on 26 June 2022, for € 2,324 thousand, with the relative decree of the Court of Lucca, also requesting the granting of provisional execution. On 7 September 2022 Centria filed a notice of opposition to the injunction notified by the municipality of Seravezza.

In January 2024, with sentence, considering that the company has another instrument to request the redetermination of the fee in the event of imbalance (the request for revision pursuant to Article 165, paragraph 6, of Italian Legislative Decree no. 50/2016), the Judge of Lucca rejected the opposition and sentenced Centria to pay the sum subject of the injunction (plus interest), minus € 150 thousand for the fee paid for 2022, with full compensation of expenses.

The company resolved to appeal the ruling of the Court of Lucca and to file a petition for the redetermination of the administrative fee pursuant to Article 165, paragraph 6 of Italian Legislative Decree no. 50 2016.

On 18 March 2024, the company submitted a request for a rebalancing fee for the period following the expiry of the concession contract for the operation of the distribution network (2018-2025 period).

In response to this request, with memorandum of 17 April 2024, the Municipality of Seravezza notified the opening of proceedings pursuant to Articles 7 and 8 of Italian Law 241/1990 and the reasons preventing the application from being granted pursuant to Article 10 bis of Italian Law 241/1990.

In the spirit of cooperation and good faith, therefore, the company replied to the Municipality with a memorandum dated 26 April 2024, containing observations pursuant to Article 10 Bis, Italian Law no. 241/1990, providing the Administration with further feedback and evidence on the correspondence of the data reported in the rebalancing Economic and Financial Plan (PEF) with respect to the company accounts, renewing the request to conclude the rebalancing proceeding by accepting the requests formulated in the application to initiate the proceeding.

Therefore, the Company decided to file an appeal (with a simultaneous application for suspension of the enforceability/enforcement of the appealed judgment).

The appeal against the first instance judgment was filed and served on the other party on 19 March 2024.

The hearing of the appeal was set for 20 February 2025.

We recall that, immediately after the Court of Lucca's sentence no. 36/2024 was issued, on 22 January 2024, the Municipality's counsel had also asked Centria, through the company's lawyer, for the spontaneous execution of the sentence and also for the payment of the 2023 and 2024 fees (the latter 50% in advance).

With this in mind, on 26 February 2024, Centria had written to the Municipality precisely with regard to the renegotiation of the fee for the post-expiry period, intending to reactivate the renegotiation procedure and proposing a further request for a revision of the fee in the very near future, as in fact happened, accompanied by other useful elements to identify, hopefully by agreement, the balancing fee that would be correct and sustainable for the entire 2018-2025 period.

It was announced that the request would also be sent to ARERA.

In response, on 27 February 2024, the Municipality gave notice to proceed with the payment set by the judgment, plus the 2023 fee and 50% of the 2024 fee within 5 days of receipt of the notice.

On 8 March 2024, the Municipality served a writ of execution for € 2,141,100.00 including VAT., together with the judgment of the Court of Lucca.

In appealing against the Court of Lucca's sentence no. 36/2024, therefore, the company also filed a petition to suspend the executive effectiveness/execution of the appealed sentence, considering both the likelihood of success on the merit of the case and the danger in delay to apply, so as to interdict the imminent execution of the sentence and therefore of the precept.

After the service of the writ of execution (and after the service of the third-party attachment by the municipality referred to in the next position), Centria filed before the Court of Appeal an appeal to the Chairman pursuant to Article 351 of the Italian Code of Civil Procedure, requesting the anticipation of the decision on the suspension without waiting for the hearing date set for the appeal on 20 February 2025.

By decree of 20 May 2024, the Court of Appeal of Florence suspended the provisional enforceability of the contested judgment and set a hearing for face-to-face cross-examination for 19 September 2024.

The Court also made the suspension conditional on the filing, within 30 days of notification of the order, of a guarantee in the amount of € 2 million to be provided by a leading bank or insurance institution.

The Court set a deadline of 30 May 2024 for Centria to be served and a deadline of 15 July 2024 for the respondent to file a statement of defence, while inviting the parties to settle the dispute amicably.

After the filing of the respective briefs, filed within the time limits, at the hearing of 19 September 2024 in the Court of Appeal, Centria's petition on the suspension of the sentence of the Court of Lucca was extensively discussed, under all profiles of both likelihood and serious and irreparable prejudice.

By order filed on 9 October 2024, the Court of Appeal of Florence granted the petition to suspend the enforceability of the sentence of the Court of Lucca, and also ordered the release of the € 2 million bank security.

Consequently, Centria is not required to make any payment and the enforcement proceedings initiated at the Court of Arezzo are suspended; suspension ordered as a result of the hearing held on 17 October 2024. The hearing on the merits will take place on 20 February 2025.

At the hearing of 20 February 2025, Centria's lawyer presented the recent Order in which the Regional Administrative Court ordered the expert witness's report, arguing the advisability of postponing the hearing of the appeal to the outcome of the expert witness's report, considering the breadth of its subject-matter, which substantially includes that of the expert witness's report requested by Centria in the present appeal proceedings (after it had been denied at first instance).

The Municipality's counsel opposed the referral, insisting on the argument that Centria lacked a subjective right protectable before the ordinary courts. On this issue, which has already been debated, Centria's lawyer reiterated their position in the sense of the subjective right nature of the position asserted in this case, with a clear distinction from the profile asserted before the Regional Administrative Court. The examining magistrate stated to share this approach.

The judge therefore decided to wait for the expert's report of the Regional Administrative Court, not considering to order another one in the ordinary court (as it was substantially comparable), to acquire it and to draw the appropriate evaluations at the outcome of the next hearing, fixed for 18 September 2025.

In view of the developments described above, Centria continued to recognise the cost of the entire fee in its financial statements.

With regard to the Municipalities of Valdarno, whose annual concession fees contractually amount to approximately € 2,200 thousand, there is still an ongoing dispute initiated by Centria against said Municipalities, with arbitration proceedings concluded, with partial awards, issued in September 2019 and January 2020, not resolving the dispute and subject to related appeals, and with a final award issued in May 2022.

With the final award of May 2022, the Board accepted the claims of the municipalities and what had been requested in their counterclaim, ordering the payment of € 3,300 thousand to be divided among the three Municipalities according to an undefined criterion.

Therefore, Centria also appealed the final award of May 2022 before the Court of Appeal of Rome.

On 14 June 2023, the first hearing was held, which also concerned the discussion of the application for suspension.

In the meantime, Centria instituted the administrative procedure for the revision of the economic conditions for the economic and financial rebalancing of the relationship (Article 165, Italian Legislative Decree no. 50/2016).

Pending the hearing of the appeal, on 27 October 2023, with a single writ of summons, the above-mentioned Municipalities ordered Centria s.r.l. to pay the total sum of € 4,161 thousand.

Therefore, Centria filed a writ of summons with the Court of Florence in opposition to the writ, with an application to suspend the enforceability of the award. The Court provisionally suspended the enforceability of the award (and the writ) and reserved its position on the confirmation of this suspension, requested by Centria.

The hearing in the appeal against the final award has been postponed several times, pending both the outcome of the examination of the application for redetermination and the outcome of the precautionary phase of the opposition to the injunction (suspension) and postponed to 14 February 2024.

At the hearing on 14 February 2024, the orders were filed rejecting the municipalities' request for an administrative fee review.

In addition, taking into account the intervening notification of the writ of execution by the Municipalities, with the consequent opposition to the same by Centria, at the same hearing of 14 February 2024 Centria requested and obtained a further postponement, representing that the enforceability of the award was currently provisionally suspended by the Court of Florence, which had not yet withdrawn its reservation in the precautionary phase of the opposition to the writ of execution (suspension) referred to in the independent subsequent position. The case was therefore adjourned until 10 April 2024.

In view of the subsequent issuance of the order confirming the suspension of the enforceability of the award of 21 March 2024, by the Court of Florence, in the proceedings for opposition to a precept, at the hearing of 10 April 2024 Centria represented the absence of a current interest in the suspension of the award, already suspended by the Court of Florence in the proceedings for opposition to a precept, and at the same time pointed out the need not to waive the application for suspension, pending the complaint filed by the Municipalities against the order suspending the enforceability of the award, referred to in the further independent position.

The Chairman finally opted for the solution of a further, rather long postponement, as the timing of the complaint was not known and therefore postponed it to 18 September 2024.

Faced with the rejection of the fee rebalancing petition by the administrative authorities, the company also determined to file an appeal with the Regional Administrative Court, to challenge the same rejection of the fee rebalancing petition, referred to in the following independent position.

Pending the hearing, Centria's lawyers suggested the filing of an appeal to request an urgent presidential suspension decree, with anticipation/confirmation of the hearing on 18 September 2024, already set for the collegial examination of the same suspension.

The appeal was filed on 19 July.

In the meantime, the Municipalities' lawyer has contacted the company's lawyer, reiterating their intention to foreclose as soon as possible, failing payment.

Following the appeal filed by Centria in July 2024, the Municipalities' defence, which had already filed an appeal, on 24 July 2024 filed reply notes to Centria's appeal, stating that they "will not execute the award until the outcome of the hearing on 18 September 2024".

Consequently, finding no grounds for urgency, the Chairman reserved any decision to the outcome of the aforementioned hearing.

The hearing initially scheduled for 18 September was postponed to 25 September 2024.

At that hearing, the Court dismissed Centria's application for a stay by order.

In its judgment of 3 January 2025, the Court rejected Centria's opposition, holding it inadmissible because it was based on arguments that, in the judge's opinion, could not have been raised in opposition to the enforcement, but only before the judge challenging the award. Consequently, the Court upheld the revocation of the order of suspension of execution and ordered Centria to pay the costs of the proceedings to the defendant, assessed at € 27,000.00 in fees, plus general costs, VAT and CPA (Lawyers' Provident Fund) as required by law.

Following the service of the judgment, the time limit for appeal expired on 8 February 2025.

Having already made the payments referred to in the contested injunction and having in any case assessed that the decision not to appeal would not have any particular impact on the judgment on the merits before the Court of Appeal of Rome, the Company decided not to appeal.

Although the Company, assisted by its lawyers, believes that it is entitled to a redetermination of the fees for the years following the contractual expiry date, in light of the latest developments described above, it was decided to continue to recognise, as in previous years, the cost of the fees for the full contractual amount.

3. Disputes with the Municipality of Mosciano Sant'Angelo

The dispute with the Municipality of Mosciano Sant'Angelo over the concession fee arose between the Municipality and Edma Reti Gas.

This dispute is obviously also of relevance for Centria, which began managing the gas distribution service in that Municipality in 2018.

The dispute between the Municipality of Mosciano Sant'Angelo and Edma Reti Gas s.r.l. arose in relation to the payment of the fees due to the Municipality under the "Contract for the assignment of the public methane gas distribution service in the municipal territory", entered into on 23 June 2014, between the Municipality of Mosciano Sant'Angelo and Coingas s.p.a., which was subsequently taken over by Edma Reti Gas s.r.l., which continued to manage the service under the compulsory management regime by force of law, limited to ordinary administration.

It should be noted that an arbitration procedure was carried out, as a result of which an arbitration award was issued on 20 September 2019, whereby supporting the principle of law upheld by Edma, according to which the fee must be reconsidered in the transitional phase after the expiry of the concession.

However, pending attempts to reach an agreement on the exact residual amount to be paid after the findings of the award, the Municipality of Mosciano Sant'Angelo brought an action to challenge the arbitration award before the Court of Appeal of L'Aquila by means of a writ of summons served on 16 December 2019.

Consequently, Edma Reti Gas appeared before the court.

In the meantime, despite the fact that the Municipality continues to demand fees in excess of the amount set forth in the contested award, Edma is paying what was prescribed in the award, the latter being effective despite the Municipality's challenge.

On 15 December 2023, the filing of the judgment of 30 November 2023 was announced, which upheld the Municipality's appeal and rejected Edma's cross-appeal. In essence, the Court held that the rent under the expired contract was due. It did not exclude the possibility of a revision of the fee, but only for the future and through the remedy pursuant to Article 165, of Italian Legislative Decree no. 50/2016 (indicated by the Constitutional Court, in the context of the dispute between Centria and the Municipalities of Valdarno, with a ruling issued only in the course of the proceedings), in the sole hypothesis of "proven supervening contractual imbalance".

Despite the fact that Edma had also brought an application for redetermination of the rent at trial, citing all the relevant provisions (including Article 165), the Court held that the specific instrument had not been activated; moreover, according to the Court, the Arbitrators wrongly held that they had indicated as due for the transitional phase a different rent from the one provided for in the expired contract, without obtaining a concrete proof of a supervening imbalance.

The order is for a sum equal to the difference between what has been paid and the amount of the contractual fees (October 2016 - December 2017 period), plus default interest (pursuant to Italian Legislative Decree no. 231/2002) and court costs, as per the operative part of the judgment.

The company appealed the decision of the Court of Appeal in Cassation.

On 22 October 2024, Centria formulated a proposal for the definition of the fee for the period from 2018 onwards. In December, the lawyer for the Municipality of Mosciano informed Centria that the proposal was still being evaluated.

In view of the uncertainty about the outcome of the appeal and in light of the developments described above, the company continued to recognise the entire contractual fee in the financial statements.

4. Appeal against the assessment notices relating to the Single Annual Fee, for the years 2021, 2022, 2023, notified to Centria srl by the collection company ICA srl on behalf of the Municipality of Seravezza

During the years between 2021 and 2023, Centria was served notices of assessment relating to the annual Single Property Tax for the years 2021, 2022 and 2023 by the company ICA srl, which is the collection agent for the Municipality of Seravezza.

In September 2023, ICA also served the assessment notice for the 2023 fee.

After examination of the matter, the lawyer in charge considered the relevant issue, due to the impact that any acquiescence with respect to the notified acts could have over time and for future years, envisaging the possibility of filing an appeal in opposition.

Given the complexity of the subject matter. Centria first applied for cancellation of the self-assessment and then, after the municipality's rejection, the notices of assessment were challenged. Given the ambiguous nature of the deeds (i.e. the questionability or otherwise of their enforceability), the lawyer instructed by Centria qualified the action as a negative assessment of the claim but also, in the alternative, as an opposition to enforcement.

In the meantime, the Municipality placed an administrative freeze on Centria's vehicles, which it cancelled by its own determination. After the annulment, the Municipality again wrote to the Company to initiate an execution, but at present it has not issued any new acts.

The court registry finally qualified the application precisely as an opposition to execution and set the first hearing for 14 February 2024.

Pending the hearing, on 4 January 2024, Centria received from Ica S.p.A. a notice of impending expiry for the payment of the 2024 single annual fee for the Municipality of Seravezza. The indicated expiry date was 30 April 2024 and the requested amount was € 9,344.00.

The company decided to file an appeal for a negative assessment of the claim and then request a joinder with the already pending dispute, hoping for a favourable outcome of the judgments before the payment notice for the following year.

At the hearing on 14 February 2024, the judge set a hearing for discussion by written procedure for 9 July 2024.

The Court of Lucca issued a ruling rejecting Centria's application.

The brief ruling is based on a precedent of the Supreme Court, however, referring to the payment of TOSAP and in which the public work was carried out by the same concessionaire.

Therefore, it was considered to pay the assessment notices, also for 2024 (in fact, on 31 July a notice of assessment was received for the 2024 property CU assessment), subject to repayment pending the filing of the appeal.

It should also be noted that on 31 July 2024, Centria was served a notice of assessment for the 2024 Single Property Fee by ICA.

The company decided to appeal against the first instance judgment.

Centria filed an appeal against the sentence of the Court of Lucca; the hearing before the Court of Appeal of Florence was set for 3 June 2025.

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

Introduction

The financial statements for the financial year ended as at 31 December 2024 have been prepared in accordance with the regulations of the Italian Civil Code, as amended by Italian Legislative Decree 139/2015 (the "Decree"), interpreted and supplemented by the Italian accounting standards issued by the Italian Accounting Board ("OIC") in force for financial statements for financial year beginning on or after 1 January 2016 and subsequent amendments.

The Financial Statements consist of the Balance Sheet (prepared in accordance with the format provided for by Articles 2424 and 2424-bis of the Italian Civil Code), the Income Statement (prepared in accordance with the format provided for by Articles 2425 and 2425-bis of the Italian Civil Code), the Cash Flow Statement (whose contents, in accordance with Article 2425-ter of the Italian Civil Code, are presented in accordance with the provisions of accounting standard OIC 10) and these Notes to the Financial Statements, prepared in accordance with the provisions of Articles 2427 and 2427-bis of the Italian Civil Code.

The following Notes to the Financial Statements analyse and supplement the figures in the financial statements with the additional information deemed necessary for a true and fair view of the illustrated data, taking into account that no derogations have been made pursuant to Articles 2423 and 2423-bis of the Italian Civil Code.

Items not expressly reported in the Balance Sheet and Income Statement, as required by Articles 2424 and 2425 of the Italian Civil Code, and in the Cash Flow Statement presented in accordance with accounting standard OIC 10, are considered to have a zero balance.

The option of not indicating such items is understood to relate only to the case where they have a zero amount in both the current and the previous financial year.

For additional information on the Company's situation and on the performance and result of operations, as a whole and in the various sectors in which it operated, including through subsidiaries, with particular regard to costs, revenues and investments, as well as for a description of the main risks and uncertainties to which the Company is exposed, please refer to the Board of Directors' Report on Operations.

The purpose of the notes to the financial statements is to illustrate, analyse and in some cases supplement the figures in the financial statements, and they contain the information required by Article 2427 of the Italian Civil Code and by other legal provisions. In addition, all supplementary information deemed necessary to give a true and fair view is provided, even if not required by specific legal provisions (Article 2423, paragraph 3, of the Italian Civil Code).

The notes to the financial statements present information on the balance sheet and income statement items in the order in which the respective items are shown in the respective financial statements.

The Financial Statements are drawn up in euro units, without decimal places pursuant to Article 16 of Italian Legislative Decree no. 213/98.

Evaluation criteria and classification

The criteria used in the preparation of the financial statements are in accordance with the aforementioned legal provisions in force, supplemented and interpreted by the Accounting Standards issued by the Italian Board of Certified Public Accountants and Bookkeepers and supplemented by documents drawn by the Italian Accounting Body which has supplemented and amended the aforementioned accounting standards.

The valuation of the balance sheet items was made on the basis of the general criteria of prudence and accrual, on a going concern basis.

The application of the principle of prudence entailed the individual valuation of the components of individual items or items of assets or liabilities, in order to avoid offsetting losses that had to be recognised and profits that were not to be recognised because they had not been realised.

In accordance with the accrual principle, the effect of transactions and other events has been recognised in the accounts and attributed to the financial year to which these transactions and events relate, and not to the year in which the related cash changes (receipts and payments) occur.

In application of the principle of materiality, recognition, measurement, presentation and disclosure requirements were not complied with when their observance had insignificant effects in terms of providing a true and fair view.

The continuity of application of the valuation criteria over time is a necessary element for the comparability of the company's financial statements across financial years.

The recognition and presentation of items in the financial statements has been made taking into account the substance of the transaction or contract.

Profits are included only if they are realised by the end of the financial year, while risks and losses are taken into account even if they become known at a later date. The disparate elements included in the individual balance financial statements items have been valued separately. Fixed assets intended for long-term use have been classified as fixed assets.

The valuation criteria did not change from those adopted in the previous year, with the exception of what is reported in the section "Application of accounting standard OIC 34 Revenue".

During the year, there were no exceptional cases that made it necessary to depart from the valuation criteria, pursuant to Article 2423, Section 5, of the Italian Civil Code, because they were incompatible with the true and fair representation of the Company's financial position and results of operations. There were also no revaluations of assets during the year pursuant to special laws on the subject.

The preparation of financial statements requires the making of estimates that affect the values of assets and liabilities and the related disclosures. The results that will be achieved may differ from these estimates.

Estimates are reviewed periodically and the effects of changes in estimates, where not resulting from faulty estimates, are recognised in the income statement of the year in which they are found to be necessary and appropriate, if such changes affect only that year, and also in subsequent years if the changes affect both the current and subsequent years.

Restatement of comparative figures

Application of accounting standard OIC 34 Revenue

On 19 April 2023, the Management Board of the Italian Accounting Body (OIC) approved the final version of accounting standard OIC 34 "Revenues", applicable to financial statements for financial years beginning on or after 1 January 2024. The purpose of this standard is to regulate the criteria for recognising and measuring revenue, as well as the information to be presented in the notes to the financial statements.

This standard applies to all transactions involving the recognition of revenue from the sale of goods and the provision of services, regardless of their classification in the income statement. Revenue from the sale of businesses, rent income, reversions and transactions that do not have the purpose of buying and selling are also excluded.

OIC 34 emphasises the need to proceed with the analysis of sales contracts in order to determine the "Elementary Units of Accounting". Specifically, the individual goods, services or other performances that are promised to the customer through the contract must be treated separately. The segmentation of the contract is necessary because several rights and obligations may arise from a single contract of sale and need to be accounted for separately.

After determining the individual elementary units of accounting, it is necessary to proceed with the valuation of each of them by allocating the total contract price to each identified elementary unit of accounting. The company must then proceed to determine the time the revenue is to be recognised in the financial statements on an accrual basis.

The method of revenue recognition is distinguished between the sale of goods and the provision of services. In particular, revenue from the sale of goods is recognised at the end of the production process, when the substantial transfer of risks and rewards has occurred and the amount of revenue can be reliably determined. In the case of sales with right of return, which do not lend themselves to a mass appraisal of the return risks, revenue is recognised in the income statement at the time of sale only if the seller is reasonably certain, based on historical experience, contractual elements and forecast data, that the customer will not return the goods.

Revenue for services is recognised on an accrual basis if both of the following conditions are met: a) the agreement between the parties provides for the seller's right to consideration to accrue as the service is performed; and b) the amount of the revenue can be reliably measured. In the event that the company cannot recognise the revenue according to the state of progress criterion, the revenue for the service rendered is recognised in the income statement when the service has been finally completed.

Additional considerations (e.g. incentives and performance bonuses) are only included in the overall sales contract price when they become reasonably certain.

Discounts, rebates, penalties and returns are accounted as a reduction of revenue on the basis of the best estimate of the consideration, taking into account historical experience and/or statistical analyses.

Furthermore, OIC 34 has defined that in the case of transactions in which a third party is involved in addition to the seller and the customer, it is necessary for the selling company to proceed with an assessment of all contractual elements to determine whether it is acting on its own behalf (i.e. as principal) or on behalf of a third party (as agent).

If the company is not acting on its own account, it must account for the service rendered to the customer as if it were acting on behalf of a third party. In this case, it recognises the proceeds of the sale net of the costs incurred in purchasing the asset, thereby identifying the value of the commission due.

The Company carried out a detailed analysis on the effects of the introduction of the accounting standard in question: as a result of the detailed analysis conducted, the directors concluded that the main impact resulting from the application of OIC 34 is related to the exposure of transactions for which the Company acts on behalf of third parties, with particular reference to the charging of costs for the additional components, in the context of transactions where the Company acts as agent. These costs refer in particular to "CCSE components transmission" related to the sector contributions for the RS-REGS-UG1-UG2-UG3 components, amounts due to the Electricity and Gas Authority for the Electricity Sector Equalisation Fund in compliance with Resolution no. 159/08, as amended.

With the exception of the above, no further effects resulting from the application of the new standard have been identified.

The Company has adopted the new accounting standard using the retrospective method pursuant to OIC 29; therefore, for comparative purposes only, the Company has adjusted the balances as at 31 December 2023. In particular, the comparative figures as at 31 December 2023 showed the restatement of costs related to the above-mentioned additional components by reclassifying the amount of € 74,994,089, previously recognised under sundry operating expenses, as a reduction in revenue from sales and services.

The following is a summary of the effects of the restatement of the comparative figures as at 31 December 2023:

Description	Amounts from the approved 2023 financial statements	Reclassification	Amount restated in the 2024 financial statements as 2023 comparative figure
A. 1) Revenue from sales and services	134,208,752	-74,994,089	59,214,664
B. 14) Sundry operating expenses	84,180,204	-74,994,089	9,186,115

Other re-statements

It should be noted that, in order to offer the reader greater comparability of the information reported in the financial statements as at 31 December 2024, the presentation of certain figures for the previous year has been changed. In particular, the balance of increases in non-current assets from in-house production has been shown net of external costs that have been charged directly as increases additions to property, plant and equipment. The effect of this restatement on comparative balances is shown below.

Description	Amounts from the approved 2023 financial statements	Reclassification	Amount restated in the 2024 financial statements as 2023 comparative figure
A. 4) Increases in non-current assets from in-house production	27,335,159	- 10,205,683	17,129,476
Total	27,335,159	- 10,205,683	17,129,476
B. 7) Costs for services	25,485,960	-9,919,122	15,566,838
B. 8) Cost for use of third-party assets	10,037,161	-149,463	9,887,698
B. 14) Sundry operating expenses	84,180,204	-137,098	84,043,106
Total	119,703,325	-10,205,683	109,497,642

Obviously, in order to assess the final overall effects on the 2023 comparative figures, it is necessary to take into account both reclassifications shown in the two tables above, with particular reference to cost category B) 14 as it is affected by both restatements.

Valuation criteria adopted for the preparation of the financial statements in compliance with article 2426 of the Italian Civil Code

Intangible assets

They are recorded at cost of purchase or contribution by shareholders, including ancillary charges, and systematically amortised over the period of their expected future usefulness, as detailed below.

Start-up and expansion costs and development costs with long-term usefulness have been recognised under assets with the approval of the Board of Statutory Auditors. Start-up and expansion costs are amortised over a period not exceeding five years; development costs are amortised over their useful life: in exceptional cases, where their useful life cannot be reliably estimated, they are amortised over a period not exceeding five years.

Goodwill, acquired for consideration, has been recognised under assets with the approval of the Board of Statutory Auditors for an amount equal to the cost incurred for its purchase and is fully amortised.

Industrial patent rights and intellectual property rights include costs with long-term usefulness relating to software and are amortised at an annual rate of 33.33%.

The item "Other" includes leasehold improvements and expenses incurred for concessions. These costs are amortised over the period of future usefulness of the expenses incurred or the remaining period of utilisation, whichever is shorter.

If, regardless of the amortisation already recognised, an impairment is identified, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for amortisation.

Property, plant and equipment and depreciation

They are recorded at the cost of purchase, production or contribution by shareholders and adjusted by the corresponding accumulated depreciation.

The value recognised in the financial statements includes ancillary charges and costs incurred for the use of the fixed asset, with trade discounts and cash discounts of significant amounts deducted from the cost.

In the event that payment is deferred with respect to normal market conditions, for similar or comparable transactions, the asset has been recognised at the actual value of future contractual payments.

Fixed assets are systematically depreciated in each financial year on a straight-line basis at economic and technical rates determined in relation to the remaining useful life of the assets, with the exception of those whose useful life is not exhausted, and which consist of land and buildings not ancillary to industrial investments.

Fixed assets acquired free of charge are stated at their presumed market value plus costs incurred or to be incurred to permanently and usefully incorporate the assets in the production process.

Where the property, plant and equipment includes components, appurtenances or accessories having different useful lives, the depreciation of these components is calculated separately from the main asset, unless this is not practicable or meaningful.

Despite being linked to concession contracts, all assets are depreciated according to their residual useful life as the concessions have expired but their devolution is onerous (VIR - Residual Industrial Value), except for a few cases (Municipality of Follonica, Magione and Rieti) where the concession is still in place and some assets will be devolved free of charge: these assets are depreciated by the end of the concession.

For assets that entered into service during the financial year, the depreciation rates were reduced to 50%, taking into account that the application of the rates in proportion to the time during the year would not have resulted in significantly different depreciation charges for the year.

Due to their small entity, some fixed assets are not subject to depreciation, but are charged directly to expenses for the year.

If, irrespective of the depreciation already accumulated, an impairment is identified, the fixed asset is written down accordingly. If, in subsequent years, the reasons for the write-down no longer apply, the original value is restored, adjusted only for depreciation.

Property, plant and equipment held for sale are reclassified as current assets and valued at the lower of net book value and realisable value based on market trends, after suspension of the depreciation process.

The item Land includes, among other things, land appurtenances of factories and land on which buildings stand.

Maintenance costs of an ordinary nature are charged in full to the income statement.

Maintenance costs that increase the useful life, productivity or safety of the asset are added to the value of the asset and depreciated over its remaining useful life.

Equipment contributions are recognised, from the time the conditions for their award are met, in correlation with the depreciation of the assets to which they refer, with an entry under "Accrued expenses and deferred income" with an offsetting entry under "Other revenue and income" under production value.

With reference to the timing of recognition of revenue for connections contributions, these are consistent with the useful life of the assets to which they refer, in the presence of a consistent legal obligation to provide the service.

Also in this case, they are recorded under "Accrued expenses and deferred income" and annual depreciation charges are recorded under "Other revenue and income" under production value.

Determined on the basis of the estimated remaining useful life of the assets, the depreciation rates used are as follows:

PROPERTY, PLANT AND EQUIPMENT - DETAIL OF RATES	% depreciation or useful life
land and buildings	
- land	Not depreciated
- industrial buildings	2%
- lightweight constructions	10 years
plant and machinery	
- methane gas tanks	20 years
- plant for general teleoperation	20 years
- compression and pumping stations	20 years
- thermal power stations	5%
- urban networks	50 years
- connections	40 years
industrial and commercial equipment	
- work and workshop equipment	10%
- traditional meters	20 years
- electronic meters	15 years
- concentrators	15 years
other assets	
- office furniture and furnishings	12%
- electronic machines	20%
- transport vehicles	20%
- motor vehicles	25%
other assets under concession (e.g. networks)	Agreement duration

With regard to the duration of concessions for natural gas distribution activities, Italian Legislative Decree no. 164/00 (Letta Decree) established that all concessions must be put out to tender by the end of the "transitional period", and that the new duration of concessions may not exceed 12 years. At the expiry of the concessions, in return for the transfer of its distribution networks, the outgoing operator is paid compensation defined on the basis of industrial valuation criteria. Based on the estimates made by the directors when determining the depreciation criterion, the net book value of the assets at the expiry of the concession should not exceed the residual industrial value ("VIR").

Impairment losses on property, plant and equipment and intangible assets

Impairment losses write-downs on property, plant and equipment and intangible assets are recognised in accordance with the requirements of Accounting Standard OIC 9.

At each reporting date, an assessment is carried out on whether there is an indicator that a fixed asset may be impaired. If this indicator exists, the recoverable amount of the fixed asset is estimated.

In particular, if the recoverable amount of a fixed asset (i.e. the higher of its value in use and its fair value) is lower than its book value, the asset is recognised at that lower value. The difference is recognised as an impairment in the income statement under item B10c).

If the recoverable amount of the individual fixed asset cannot be estimated, the recoverable amount of the cash-generating unit (CGU) to which the fixed asset belongs is determined. This occurs when individual fixed assets do not generate cash flows independently of other fixed assets. In such a case, if the recoverable amount of the CGU is lower than its book value, the reduction in the book value of the assets forming part of the CGU is allocated first to the value of the goodwill allocated to the CGU and, subsequently, to the other assets on a pro rata basis, according to the book value of each asset forming part of the CGU.

In the absence of indicators of potential impairment, the recoverable amount is not determined.

Fair value less costs to sell is the amount achievable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of divestment. In determining this fair value, management may also make use of expert opinions prepared by third parties, particularly with regard to the industrial value of the assets under concession (VIR).

The calculation of the value in use is based on a discounted cash flow model. The cash flows are derived from approved forecasts that consider point estimates and do not include restructuring activities to which the Company is not yet committed or significant future investments that will increase the results of the activities comprising the cash-generating unit being measured.

A reversal of an impairment loss occurs when the reasons for the impairment loss no longer apply and is carried out to the value the asset would have had if the impairment had never occurred.

Write-downs recognised on goodwill and deferred long-term charges cannot be reversed as this is not permitted under current rules.

An impairment occurs when the book value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Equity investments

Equity investments are recorded as financial fixed assets if they are intended to be held in the company's portfolio on a long-term basis, otherwise they are recognised as current assets.

Equity investments in subsidiary or associated companies are stated at purchase or incorporation cost, including any incidental expenses. The cost incurred at the time of purchase of a long-term equity investment is retained in the financial statements of subsequent years, unless an impairment occurs.

At each reporting date, the Company carries out an assessment on whether there is an indicator that an equity investment may be impaired. Impairment is determined by comparing the book value of the equity investment with its recoverable amount, which is determined on the basis of the future benefits expected by the investor. Write-downs due to impairments are not retained if the reasons for the adjustment no longer apply.

Inventories

Inventories are valued at the lower of purchase or manufacturing cost, including incidental expenses, and estimated realisable value based on market trends.

The cost configuration adopted is the weighted average cost.

Any slow-moving or obsolete inventories are written down in relation to their possibility of use or realisation. Contract work in progress is valued on the basis of contractual payments accrued with reasonable certainty, in proportion to the progress of the work, taking into account all foreseeable contractual risks.

Receivables

Receivables are classified according to their intended use either as financial fixed assets (if they are of a financial nature and if they are intended to be included under assets for a medium to long period) or as current assets; they are recorded at their estimated realisable value and net of discounts, allowances and other reasons for lesser realisable value.

Receivables relative to revenue from the sale of goods or services are recognised when the production process of the goods or services has been completed and the substantive and not merely formal transfer of ownership has taken place. Receivables arising from other reasons are only recognised when the legal title to the claim exists.

Receivables are recognised in the financial statements at amortised cost, taking into account the time factor, and within the limits of their presumed realisable value and, therefore, are shown in the balance sheet net of the relevant provision for bad debts considered adequate to cover reasonably foreseeable bad debts.

If the transaction interest rate is not materially different from the market rate, the receivable is initially recorded at a value equal to the nominal value net of all premiums, discounts, rebates and including any costs directly attributable to the transaction that generated the receivable. These transaction costs, any commission income and expenses and any difference between the initial value and the nominal value at maturity are allocated over the life of the receivable using the effective interest method.

When, on the other hand, it appears that the transaction interest rate inferable from the terms of the contract is significantly different from the market rate, the receivable (and the corresponding proceeds in the case of commercial transactions) is initially recorded at a value equal to the actual value of future cash flows plus any transaction costs. The rate used to discount future flows is the market rate.

It should be noted that, as provided for by the accounting standard OIC 15, the amortised cost criterion was not applied as its effects are irrelevant for the purpose of giving a true and fair view, also with reference to receivables recorded in the financial statements prior to the financial year starting on 1 January 2016.

The accounting policies adopted by the company are as follows:

- non-discounting of receivables with a maturity of less than 12 months;
- non-discounting of receivables where the effective interest rate is not significantly different from the market interest rate;
- non-application of the amortised cost criterion where transaction costs, commissions and any other differences between initial value and maturity value are insignificant.

The nominal value of receivables is adjusted to their estimated realisable value by means of a special provision for bad debts.

With regard to expected losses due to uncollectability, the nominal value of receivables is adjusted by means of a provision for bad debts to take into account the possibility that the debtor will not fulfil its contractual obligations in full. The provision for bad debts is estimated by analysing individual receivables, determining the estimated losses for each anomalous situation already manifested or reasonably foreseeable, and estimating, based on experience and any other useful information, the additional losses that are expected to be incurred on outstanding receivables at the reporting date. The provision for bad debts on receivables secured by guarantees takes into account the effects of the enforcement of such guarantees.

Invoice adjustments are taken into account in accordance with the accrual and prudence principle by allocating credit notes to be issued adjusting receivables and corresponding revenue, or by allocating a special risks provision for the return of goods or products by customers without adjusting the amount of receivables.

Discounts and trade rebates that are estimated to be granted upon collection and other causes for lower realisation are also recognised in a special provision. Discounts and rebates of a financial nature are recognised when collected.

Receivables are derecognised when the contractual rights to the cash flows arising from the receivable are extinguished or when title to the contractual rights to the cash flows arising from the receivables and with it substantially all the risks inherent in the receivable are transferred. All contractual clauses are taken into account in the assessment of risks transfer.

When the receivable is derecognised in the presence of the conditions set out above, the difference between the consideration and the recognition value of the receivable (nominal value of the receivable less any losses allocated to the provision for bad debts) at the time of the transfer is recognised in the income statement as a loss, unless the transfer agreement allows the identification of other economic components of a different nature.

In the case that all risks have not been transferred, transferred receivables remain in the balance sheet and are subject to the general valuation rules indicated above. The anticipation of part of the agreed consideration by the transferee is offset in the balance sheet as a financial payable.

Financial assets for centralised treasury management

The Company participates in the centralised treasury management programme (cash pooling) carried out by Estra Spa. Cash paid into the common current account (pool account) represents a receivable from the company administering the cash pooling, which is classified under financial assets, while withdrawals from the common current account constitute a payable to the same.

Cash and cash equivalents

They represent the positive balances of bank and postal deposits and cheques, as well as cash and valuables on hand at the end of the financial year.

Bank and postal deposits and cheques are valued at their presumed realisable value, cash and stamps on hand at nominal value, and foreign currency holdings are valued at the exchange rate at the closing date of the financial year.

Accruals and deferrals

Accrued income and deferred charges represent portions of income and expenses respectively pertaining to the financial year that will be manifested financially in subsequent years.

Prepaid expenses and deferred income represent portions of costs and income, respectively, that have had a financial manifestation during the financial year or in previous financial years but which are accrued in one or more subsequent financial years.

Therefore, only portions of costs and income common to two or more financial years are recognised under these headings.

At the end of each financial year, the conditions that led to their initial recognition are verified and, if necessary, value adjustments are made. In particular, in addition to the passage of time, the presumed realisable value is considered for accrued income, while the existence of the future economic benefit related to the deferred costs is considered for prepaid expenses.

Shareholders' Equity

This item includes all transactions of an equity nature carried out between the Company and entities exercising their rights and duties as shareholders.

Provisions for risks and charges

These provisions are recognised for possible liabilities of a given nature, whose existence is certain or probable, but whose amount or date of occurrence could not be determined at the end of the financial year. Allocations reflect the best possible estimate on the basis of the commitments made and the elements available. Provisions for risks and charges are recognised under the operational items to which the transaction relates (characteristic, accessory or financial), as the criterion of classification by “nature” of the costs prevails. Consequently, provisions for risks and charges relating to core and ancillary activities are recorded as a priority under items in class B of the income statement, other than items B12 and B13. Provisions for risks and charges related to financial activities are recorded under class C items in the income statement.

The general criteria of prudence and accrual have been observed in the valuation of these provisions, and no generic risks provisions without economic justification have been established.

Contingent liabilities have been recognised in the financial statements and entered in the provisions as they are considered probable and the amount of the related charge can be reasonably estimated.

Risks for which the occurrence of a liability is only possible are disclosed in the notes to the accounts, without making allocations to a provision for risks and charges.

Employee severance indemnity

This represents the actual payable accrued to employees in accordance with the law and applicable labour contracts, taking into account any form of remuneration of an ongoing nature.

The provision corresponds to the total of the individual indemnities accrued in favour of employees at the reporting date, net of advances paid, and is equal to the amount that would have been payable to employees if they had terminated their employment on that date. Following the entry into force of Italian Law 296 of 27 December 2006, the employee severance indemnity accrued from 1 January 2007 in the contributing companies was either allocated to supplementary pension funds or transferred to the treasury fund set up at INPS, according to the choice exercised by the worker.

Payables

Payables arising from the acquisition of assets are recognised in the balance sheet when significant ownership risks, charges and rewards have been substantially transferred. Payables for services are recognised when the services have been rendered, i.e. the service has been performed.

Financial payables arising from financing transactions and payables arising for reasons other than the purchase of goods and services are recognised when the undertaking's obligation to the counterparty exists, identified on the basis of legal and contractual rules.

On the other hand, advances received from customers for goods or services not yet delivered are included in the item advances. Payables are valued in the financial statements at amortised cost, taking into account the time factor.

If the transaction interest rate is not materially different from the market rate, the payable is initially recorded at a value equal to the nominal value net of all transaction costs and all premiums, discounts and rebates directly deriving from the transaction that generated the payable.

These transaction costs, such as incidental expenses for obtaining financing, any commission income and expenses, and any difference between the initial value and the nominal value at maturity are allocated over the term of the payable using the effective interest method.

When, on the other hand, it appears that the transaction interest rate inferable from the contractual terms is significantly different from the market rate, the payable (and the corresponding cost in the case of commercial transactions) is initially recorded at a value equal to the actual value of future cash flows and taking into account any transaction costs. The rate used to discount future flows is the market rate.

The amortised cost criterion has not been applied as the effects are irrelevant for the purpose of giving a true and fair view. In particular, the payables are not discounted when their for maturity is less than 12 months and/or because the effects are insignificant compared to the non-discounted value. Therefore, payables are stated at nominal value.

With reference to payables recorded in the financial statements prior to the financial year beginning on or after 1 January 2016, these are recorded at their nominal value since, as envisaged by accounting standard OIC 19, it was decided not to apply the amortised cost criterion and discounting.

Risks, commitments, guarantees

Commitments not resulting from the balance sheet represent obligations assumed by the company towards third parties that originate from legal transactions with certain mandatory effects but not yet executed by either party. The amount of commitments is the nominal value that can be inferred from the relevant documentation.

Guarantees given by the company include both personal guarantees and collateral.

Risks of a remote nature are not taken into account.

Revenue recognition

Revenue from the sale of goods is recognised at the end of the production process, when the substantial transfer of risks and rewards has occurred and the amount of revenue can be reliably determined.

In the case of sales with right of return, which do not lend themselves to a mass appraisal of the return risks, revenue is recognised in the income statement at the time of sale only if the seller is reasonably certain, based on historical experience, contractual elements and forecast data, that the customer will not return the goods.

Revenue for services is recognised on an accrual basis if both of the following conditions are met: a) the agreement between the parties provides for the seller's right to consideration to accrue as the service is performed; and b) the amount of the revenue can be reliably measured. In the event that the company cannot recognise the revenue according to the state of progress criterion, the revenue for the service rendered is recognised in the income statement when the service has been finally completed.

Additional considerations (e.g. incentives and performance bonuses) are only included in the overall sales contract price when they become reasonably certain.

Discounts, rebates, penalties and returns are accounted as a reduction of revenue on the basis of the best estimate of the consideration, taking into account historical experience and/or statistical analyses.

In the case of transactions involving a third party in addition to the seller and the customer, it is necessary for the selling company to proceed with an assessment of all contractual elements to determine whether it is acting on its own behalf (i.e. as principal) or on behalf of a third party (as agent).

If the company is not acting on its own account, it must account for the service rendered to the customer as if it were acting on behalf of a third party. In this case, it recognises the proceeds of the sale net of the costs incurred in purchasing the asset, thereby identifying the value of the commission due.

Resolution 570/19/R/gas as amended and supplemented introduced the new tariff regulation for the 2020-2025 period by approving the "RTDG 2020-2025" and with it the period of application of the provisions contained in the single text of the regulation on the quality and tariffs of gas distribution and metering services for the six years 2020-2025 period, initiating the "5th regulatory period".

It provides (like the previous regulation) for the application to customer sales companies of a supra-regional compulsory tariff defined for the six national macro-areas.

Similarly, an “operator's own reference tariff” is envisaged, which is approved in two stages and which represents the operator's own and specific costs incurred. The reference tariff consists of several components, a parametric part of which represents the recognised national average costs (operating costs and centralised investments) and a part directly representing the investment costs incurred by the individual distributor (localised investments in distribution, metering, concentrators and centralised metering).

Starting from the revenue realised by the operator with the application of the mandatory tariff, a complex equalisation mechanism is used to attribute to each distributor the revenue (constraints) determined by the application of its reference tariff, which is representative of the invested capital and operating costs.

The allowed revenue constraint, which represents the company's actual operating revenue for distribution and metering activities, is determined by multiplying the reference tariff by the number of active customers as at 31 December in the financial year t-2 for the non-parametric investments part and by the average customers number in the financial year t (NUAeff) for the parametric part of the reference tariff.

ARERA (Autorità di Regolazione per Energia Reti e Ambiente - Energy, Networks and Environment Regulatory Authority) approves each year's reference tariffs in two stages, provisional reference tariffs by March of the year and then final reference tariffs by the same month of the following year. While the OPEX components of the reference tariff do not differ from the provisional to the definitive tariffs, the CAPEX components differ from the provisional to the definitive tariffs because ARERA, while for the definitive ones considers all asset increases deriving from the final balance of the year t-1 with respect to the reference tariff, for the provisional ones considers the preliminary asset increases in the year t-1 (considering that the final balance has not yet been approved on the calculation date); furthermore it adopts a simplified calculation method with an estimate of some preliminary increases (e.g. contributions and divestments). The calculation method is described in the “Guide to the calculation of reference tariffs” published by ARERA together with Resolution 367/14.

For the purposes of the 2024 balance, as the “definitive reference tariffs” on which the year's VRT is usually calculated are not yet available, the 2024 VRT was calculated on the basis of the provisional tariffs, approved on the basis of the 2023 preliminary investments with Resolution 186/2024/R/gas of 14 May 2024.

Article 16.4 of Italian Legislative Decree no. 164/00 on the liberalisation of the gas market requires natural gas distribution companies to pursue energy saving targets in end uses and the development of renewable sources. To this end, the Italian Ministry of Economic Development has established, updated and revised the TEE (“Titoli Efficienza Energetica” - Energy Efficiency Certificates) mechanism: one TEE currently corresponds to the certification of one tonne oil equivalent (TOE) of primary energy obtained through the implementation of energy efficiency projects and interventions.

With the Decree of 21 May 2021, the Italian Ministry of Ecological Transition, now the Ministry of the Environment and Energy Security (MASE), determined the national quantitative energy savings targets for the obligation years 2021 to 2024, revised downwards the target for the year 2020 and approved the guidelines for the preparation, execution and evaluation of energy efficiency projects.

As stated in the regulations, the starting date of a n obligation year is from 1 June of the current year to 31 May of the following year.

As a result of the above, two obligation years pertain to the 2024 calendar year:

- 1 January 2024 to 31 May 2024 - second part of the 2023 obligation year;
- 1 June 2024 to 31 December 2024 - first part of the 2024 obligation year.

The specific target for each obligated party is defined by ARERA on the basis of the quantity of gas distributed in the year n-2 with respect to the obligation year.

Specifically, Centria's targets for the obligation years 2023 and 2024 are reported:

- 2023 obligation year: Determination no. DSME 3/2023 of 31 October 2023 in which Centria S.r.l. is listed with a specific target of 27,914 TEEs;
- 2024 obligation year: Determination no. DSME 6/2024 of 7 November 2024 in which Centria S.r.l. is listed with a specific target of 28,368 TEEs.

With Resolution no. 270/2020/R/efr of 14 July 2020, ARERA published the methodology for determining the tariff contribution to be recognised to distributors in the context of the energy efficiency certificates mechanism in execution of the Lombardy Regional Administrative Court's ruling no. 2538/2019.

This Resolution defined the algorithm for calculating the tariff contribution, which refers to the TEE market quotations, whose maximum value (cap) is 250.00 €/TEE.

The same Resolution also defined the algorithm for calculating a fee additional to the tariff contribution, which refers to the amount of TEEs available compared to the national targets, with a maximum value of 10 €/TEE.

With Resolution no. 283/2024/R/EFR of 10 July 2024 ARERA published the value of the tariff contribution, equal to 248.99 €/TEE for the 2023 obligation year, and established that the additional unitary fee referred to in Article 4, paragraph 2, of Annex A to Resolution no. 270/2020/R/efr, is not payable.

During the year 2024, the average price in the organised market did not fluctuate much, about € 8, between about 245.29 €/TEE and about 253.59 €/TEE.

The absolute minimum quotation was 241.00 €/TEE while the maximum market value was 254.06 €/TEE.

With regard to the accounting of TEEs, the receivables from the AEEG are recognised limited to the valuation of the certificates in the portfolio at the reference date.

A TEE risks provision may be set up to cover the risk of charges arising from the difference between the cost of acquisition of the TEEs and the revenue that can be realised from the transfer to the Authority in order to comply with regulatory obligations.

The "virtual" TEEs issued by the GSE upon submission of a specific application are recognised as costs only for the differential portion between the final contribution and the average purchase cost. No value is recognised as revenue.

Centria's LPG division is the concessionaire of the LPG gas distribution and sales service in 47 municipalities, included in six provinces (Arezzo, Florence, Grosseto, Siena, Rimini and Rieti), spread over three central Italian regions (Emilia Romagna, Lazio, Tuscany). The LPG Division operates in particular in the Member Municipalities of Intesa S.p.A. (Municipalities in the Siena Area, falling within the Provinces of Grosseto and Siena), in the Shareholder Municipalities of Consiag S.p.A. (Municipalities in the Prato Area, falling within the Province of Florence) and in the Shareholder Municipalities of Coingas S.p.A., falling within the Province of Arezzo.

Since 2014 LPG tariffs have been determined by AEEGSI with Resolution 633/13 only for municipalities with a number of active PDRs greater than 300, which means that tariff regulation is only in place for the 5 municipalities with more than 300 PDRs, for the rest of the municipalities Centria's Board of Directors decided to extend the same tariffs applied to the 5 regulated municipalities. For 2024, the discount for regularity of payments was confirmed with the aim of improving the service's competitiveness and at the same time promoting customers' regularity of payment.

Operating subsidies such as fees for connections received from customers against the distribution network connection costs are allocated to the income statement in the financial year in which the revenue is certain in terms of presence and amount, provided that the connection is realised in the financial year; otherwise, contributions are deferred and allocated to the income statement in the financial year in which the relevant connections are executed. In particular, these contributions are correlated to the costs incurred in making these connections and attributed to the income statement, as deferred income, in relation to the useful life of the assets to which they refer.

Equipment contributions are accounted for on an accrual basis and are allocated to the income statement on the basis of the depreciation period of the property, plant and equipment to which they relate, with the portion pertaining to future years recognised as deferred income and the portion already approved but not yet disbursed recognised as a receivable.

Costs and charges

Costs and charges are recorded net of returns, rebates, discounts and premiums on an accrual and prudential basis.

Income taxes

Current taxes are calculated on the basis of a realistic forecast of taxable income for the financial year, determined in accordance with tax legislation, and applying the tax rates in force at the reporting date.

The relevant tax liability is recognised in the balance sheet at nominal value, net of payments on account, withholdings and tax receivables that can be offset and for which reimbursement has not been requested; in the event that payments on account, withholdings and credits exceed taxes due, the relevant tax receivable is recognised.

The Company participates in the national tax consolidation scheme of its parent company Estra Spa for IRES purposes. Receivables from and payables to the consolidating company arising from the quantification of tax benefits attributed and received are therefore recognised in the balance sheet.

Deferred and prepaid income taxes are calculated on the cumulative amount of all temporary differences between the values of assets and liabilities determined according to statutory valuation criteria and their recognised value for tax purposes.

Deferred and prepaid income taxes are recognised in the year in which the temporary differences arise and are calculated by applying the tax rates in effect in the financial year in which the temporary differences will reverse, if those rates have already been determined at the reporting date. Otherwise, they are calculated on the basis of the rates in force at the reporting date.

In the case of deductible temporary differences, deferred tax assets are recognised in the financial statements only if there is reasonable certainty of their future recovery.

In the balance sheet, deferred and prepaid taxes are offset when the conditions are met. The offsetting balance is recorded under the specific items of current assets, if an asset, and provisions for risks and charges, if a liability.

The notes to the financial statements present a statement of the temporary differences that resulted in the recognition of deferred tax assets and liabilities, specifying the rate applied and the changes from the previous financial year, the amounts debited or credited to the income statement or equity and the items excluded from the calculation, as well as the amount of prepaid taxes recognised in the financial statements pertaining to losses for the financial year or previous financial years and the amount of taxes not yet recognised.

The parent company Estra spa has opted for the tax regime known as the National Tax Consolidation, whose rules are indicated in Articles 117 to 129 of Italian Presidential Decree no. 917/86. This optional regime provides for the determination by the parent company of a single group taxable income, corresponding to the algebraic sum of the total net income of the participating entities and, consequently, of a single group company income tax.

Since the 2014 financial year the “scope of consolidation” has also included Centria.

Events occurring after the end of the financial year

Events occurring after the end of the financial year that change conditions already existing at the reporting date and require changes to the values of assets and liabilities, in accordance with the relevant accounting standard, are recognised in the financial statements, in accordance with the accrual basis of accounting, to reflect the effect that these events have on the financial position and the economic result at the closing date of the financial year.

Events occurring after the end of the financial year that change situations existing at the date of the financial statements, but that do not require a change in the values of the financial statements, in accordance with the reference accounting standard, as they pertain to the following financial year, are not recognised in the financial statements but are illustrated in the notes to the financial statements when necessary for a more complete understanding of the company's situation.

The time limit within which the fact must occur in order for it to be taken into account is the date on which the Directors prepare the draft financial statements, except in cases where events occur between that date and the date scheduled for the approval of the financial statements by the Shareholders' Meeting that make it necessary to amend the draft financial statements.

Statement of Cash Flows

The cash flows shown in the statement represent an increase or decrease in the amount of cash and cash equivalents.

Cash and cash equivalents consist of bank and postal deposits, cheques and cash on hand.

“Operating activities” generally include transactions related to the acquisition, production and distribution of goods and the provision of services, as well as other transactions not included in investment and financing activities.

“Investment” activities include the purchase and sale of property, plant and equipment, intangible and financial fixed assets and financial assets not held as fixed assets.

“Financing” activities include obtaining and repaying cash and cash equivalents in the form of venture capital or debt capital.

Analysis of financial statements items

Balance Sheet - Assets

FIXED ASSETS

Intangible assets

The breakdown of this item is shown in the table below:

Intangible assets	31/12/2024	31/12/2023	Change
Industrial patent and intellectual property rights	2,825,329	3,180,104	-354,775
Fixed assets under construction and advances	3,665,504	3,473,797	191,707
Other intangible assets	115,640	115,745	-105
Total	6,606,472	6,769,646	-163,173

For each item, the following tables show the changes during the financial year:

	Start-up and expansion costs	Development costs	Industrial patent rights and use of intellectual works	Goodwill	Fixed assets under construction and advances	Other fixed assets	Total
Cost or valuation							
Opening Historical Cost	3,328,655	54,764	12,007,114	874,795	3,473,797	13,985,639	33,724,764
Increases			1,275,771		1,913,431		3,189,202
Decreases					-1,647,209		-1,647,209
Reclassifications			74,515		-74,515		
Closing Historical Cost	3,328,655	54,764	13,357,400	874,795	3,665,504	13,985,639	35,266,757
Depreciation, amortisation and write-downs							
Opening accumulated amortisation	-3,328,655	-54,764	-8,827,010	-874,795		-13,869,895	-26,955,118
Amortisation for the year			-1,705,061			-105	-1,705,166
Closing accumulated amortisation	-3,328,655	-54,764	-10,532,071	-874,795		-13,870,000	-28,660,285
Closing book value			2,825,329		3,665,504	115,640	6,606,472

Start-up and expansion costs consist almost exclusively of costs incurred in past years in relation to staff training hours and professional services to increase operating capacity in view of the future tenders in the area that will affect the natural gas distribution sector, which, however, were already fully amortised as at 31 December 2018.

Only a portion of about € 50 thousand of historical cost, also fully amortised, relates to constitution expenses.

There were no increases in 2024 related to start-up and expansion costs.

Development costs include costs for investments related to tests on the development of the SAC system, incurred mainly in 2018 and 2019.

The amortisation period is three years and they were fully amortised as at 31 December 2024.

Industrial patents and intellectual property rights includes the software for operating the SAC central acquisition system at a historical cost of € 1,131,035 (although fully amortised).

The remainder of the opening value relates to developments and implementations of management software, largely related to the one the company started using in 2022.

The increases in 2024 also refer to costs incurred for the development and implementation of sundry management software, as well as further development costs incurred in 2024 for the management software that the company started using in 2022.

Fixed assets under construction, valued at € 3,665,504 as at 31 December 2024, relate to costs incurred in view of future tenders (of a different nature from those recorded under expansion costs, as they are costs for specific preliminary projects and activities).

They relate, for example, to the tender simulation activities in specific Minimum Economic Territorial Areas (ATEMs), thus including training hours for internal staff, professional consultancy, external technical services, etc.

In the course of 2024, the company decided to dispose of part of these costs, amounting to approximately € 1.65 million, as they were incurred in the years 2016, 2017 and 2018 and to date no longer have any residual usefulness, also considering the change in regulations and the number of years that have passed since they were incurred.

The increase of € 1.9 million in intangible assets under construction originated entirely from costs incurred for the development of a management software package as part of a project (called Single Application Map) to renew, rationalise and streamline management software, which will be used from 2025.

"Other intangible assets" have an opening historical cost consisting almost entirely of expenses for concessions and tenders in the municipalities of Rieti and Magione (about € 13.7 million).

The remaining portion consists of costs incurred in connection with a tariff revision project (approximately € 90 thousand) that generated a higher VRT from the 2019 financial year and will continue to do so in future years, and other sundry expenses for the remaining part.

All concession fees are amortised over the term of the concession, while other intangible assets are amortised over four years.

Property, plant and equipment

The breakdown of this item is shown in the table below:

Property, plant and equipment	31/12/2024	31/12/2023	Change
Land and buildings	1,301,236	1,348,828	-47,592
Plant and machinery	350,284,815	338,057,980	12,226,835
Industrial and commercial equipment	47,743,739	46,138,426	1,605,313
Other assets	340,778	395,730	-54,951
Fixed assets under construction and advances	9,583,536	5,206,099	4,377,437
Total	409,254,103	391,147,062	18,107,041

Below is a breakdown of the changes during the financial year:

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other Assets	Fixed assets under construction and advances	Total
Cost or valuation						
Opening historical cost	3,203,924	521,875,221	69,646,313	2,605,629	5,206,099	602,537,185
Increases		25,073,692	7,457,488	4,957	7,862,858	40,398,994
Decreases	-21,779	-299,486	-3,723,615	-38,784		-4,083,663
Reclassifications		3,485,421			-3,485,421	
Revaluations			-265,647			-265,647
Closing historical cost	3,182,146	550,134,848	73,114,539	2,571,801	9,583,536	638,586,869
Depreciation, amortisation and write-downs						
Opening accumulated depreciation	-1,855,096	-183,818,010	-23,442,743	-2,209,898		-211,325,748
Amortisation for the financial year	-37,021	-16,117,620	-4,540,806	-59,524		-20,754,971
Elimination of depreciation	11,207	85,597	2,612,749	38,400		2,747,953
Closing accumulated depreciation	-1,880,910	-199,850,033	-25,370,800	-2,231,023		-229,332,766
Closing book value	1,301,236	350,284,815	47,743,739	340,778	9,583,536	409,254,103

The analytical breakdown of the various items of property, plant and equipment and their changes are shown in the tables below:

NET VALUE	BALANCE 31/12/2023	Increases	Operating revenue and reclassifications	Depreciation	Write-downs	Disposals and divestments	BALANCE 31/12/2024
land and buildings							
- land	535,159						535,159
- LPG land	162,355						162,355
- industrial buildings	649,055			-36,456		-10,571	602,027
- lightweight constructions	2,260			-565		0	1,695
	1,348,828			-37,021		-10,571	1,301,236
plant and machinery							
- teleoperations	3,860,728	1,899,043	0	-377,811		-17,404	5,364,557
- tanks	0	0	0	0			0
- urban methane gas networks	241,747,393	12,577,718	3,265,402	-9,728,754		-81,635	247,780,124
- compression and pumping stations	15,638,134	6,312,351	172,061	-1,276,975		-113,176	20,732,396
- methane gas connections	70,355,236	4,268,944	88,967	-4,465,611		-1,674	70,245,863
- LPG teleoperations	0		0	0			0
- LPG connections	380,165	15,635	-2,520	-16,224			377,055
- urban LPG networks	5,843,946	0	-38,489	-200,578			5,604,879
- LPG tanks	231,608		0	-51,667		0	179,941
	338,057,210	25,073,692	3,485,421	-16,117,620		-213,889	350,284,814
industrial and commercial equipment							
- equipment	582,791	128,807	-3,274	-114,005	0	0	594,319
- meters	2,631,679	458,327	-17	-233,793		-107,149	2,749,046
- electronic methane gas meters	42,128,460	6,623,271	0	-4,095,417	-265,647	-1,003,507	43,387,157
- concentrators	758,016	238,713	68,435	-94,813			970,351
- LPG meters	37,480	8,374		-2,778	0	-209	42,866
	46,138,425	7,457,491	65,144	-4,540,806	-265,647	-1,110,866	47,743,739
other assets							
- furniture, ordinary office machines	38,096	4,957		-5,644			37,409
- electronic & electrotechnical machines	144,646	0		-48,120		-384	96,142
- cars and trucks	960	0		-384		0	576
<i>Assets under concession</i>							
- concession networks	212,028	0		-5,376			206,651
	395,730	4,957		-59,524			340,778
fixed assets under construction and advances							
- fixed assets under construction	5,206,099	7,862,857	-3,485,421				9,583,536
	5,206,099	7,862,857	-3,485,421				9,583,536
Total	391,146,291	40,398,997	65,144	-20,754,971	-265,647	-1,335,326	409,254,103

COST	BALANCE 31/12/2023	Increases	Reclassifications	Revenue in the year	Revaluations (Write-downs)	Disposals and divestments	BALANCE 31/12/2024
land and buildings							
- land	535,159						535,159
- LPG land	162,355						162,355
- industrial buildings	2,446,932					-21,779	2,425,153
- lightweight constructions	6,198						6,198
- lightweight LPG constructions	53,281						53,281
	3,203,924						3,182,146
plant and machinery							
- teleoperations	6,618,881	1,899,043	5,641			-30,203	8,493,363
- tanks	493,085						493,085
- urban methane gas networks	365,302,408	12,577,718	107,576	3,226,913		-137,277	381,077,338
- compression and pumping stations	31,366,898	6,312,351		172,061		-130,300	37,721,011
- methane gas connections	104,888,422	4,268,944	9,609	86,447		-1,706	109,251,716
- LPG teleoperations	96,587		-5,641				90,946
- LPG connections	665,382	15,635	-9,609				671,408
- urban LPG networks	10,727,783		-107,576				10,620,206
- LPG tanks	1,715,775						1,715,775
	521,875,220	25,073,692	0	3,485,421		-299,486	550,134,847
industrial and commercial equipment							
- equipment	2,799,103	128,807					2,927,910
- meters	6,198,725	458,327				-731,728	5,925,324
- electronic methane gas meters	59,252,066	6,623,271			-265,647	-2,987,925	62,621,765
- concentrators	1,183,100	238,713					1,421,813
- LPG meters	213,318	8,374				-3,962	217,730
	69,646,312	7,457,491			-265,647	-3,723,615	73,114,542
other assets							
- furniture, ordinary office machines	180,403	4,957					185,360
- electronic & electrotechnical machines	1,446,904					-690	1,446,214
- cars and trucks	141,385					-38,094	103,292
<i>Assets under concession</i>							
- concession networks	629,750						629,750
- concessionary connections	151,906						151,906
- concessionary telecontrol	55,279						55,279
	2,605,628	4,957				-38,784	2,571,801
fixed assets under construction and advances							
- fixed assets under construction	5,206,099	7,862,857		-3,485,421			9,583,535
	5,206,099	7,862,857		-3,485,421			9,583,535
Total	602,537,183	40,398,997	0	0	-265,647	-4,061,884	638,586,870

DEPRECIATION	BALANCE 31/12/2023	Increases	Reclassifications	Others changes	Revaluations Accumulated depreciation	Disposals and divestments	BALANCE 31/12/2024
land and buildings							
- land	0						0
- LPG land	0						0
- industrial buildings	1,797,877	36,456				-11,207	1,823,126
- lightweight constructions	3,938	565					4,503
- lightweight LPG constructions	53,281						53,281
	1,855,096	37,021				-11,207	1,880,910
plant and machinery							
- teleoperations	2,758,152	377,811	5,641			-12,798	3,128,806
- tanks	493,085						493,085
- urban methane gas networks	123,554,245	9,728,754	69,087	770		-55,642	133,297,214
- compression and pumping stations	15,728,765	1,276,975				-17,124	16,988,615
- methane gas connections	34,533,186	4,465,611	7,089			-32	39,005,853
- LPG teleoperations	96,587		-5,641				90,946
- LPG connections	285,217	16,224	-7,089				294,353
- urban LPG networks	4,883,836	200,578	-69,087				5,015,327
- LPG tanks	1,484,167	51,667					1,535,834
	183,817,241	16,117,620	0			-85,597	199,850,033
industrial and commercial equipment							
- equipment	2,216,312	114,005		3,274			2,333,591
- meters	3,567,047	233,793		17		-624,578	3,176,278
- electronic methane gas meters	17,123,606	4,095,417		-68,435		-1,984,418	19,166,170
- concentrators	425,084	94,813					519,898

- LPG meters	175,838	2,778				-3,753	174,864
	23,507,887	4,540,806		-65,144		-2,612,749	25,370,800
other assets							
- furniture, ordinary office machines	142,307	5,644					147,951
- electronic & electrotechnical machines	1,302,259	48,120				-306	1,350,073
- cars and trucks	140,425	384				-38,094	102,715
<i>Assets under concession</i>							
- concession networks	417,722	5,376					423,099
- concessionary connections	151,906						151,906
- concessionary telecontrol	55,279						55,279
	2,209,898	59,524				-38,400	2,231,023
<i>fixed assets under construction and advances</i>							
Total	211,390,122	20,754,971		-65,144		-2,747,953	229,332,766

The most significant increases relate to works to expand urban networks and connections, extraordinary maintenance and plant construction, and the changes in the meter fleet, as detailed below.

The column "increases" includes purchases and all capitalised costs for the year, while the column "entries in operation" includes entries into operation of fixed assets that were under construction as at 31 December 2024. The column "disposals and divestments" shows the decreases in the year due by disposals and divestments during the year.

Even if fully depreciated, assets appear in the financial statements until they are taken out of the production process, due to disposal, scrapping, loss or any other reason.

The depreciation rates for property, plant and equipment pertaining to the year 2024 amount to € 20,754,971 as shown above; depreciation has been calculated on a straight-line basis in accordance with the economic and technical life of the asset, as indicated in the table detailing the rates for property, plant and equipment.

In order to assess the any impairment, the directors conducted an impairment test on the value of the Company's assets.

The recoverability of recorded values is verified by comparing the net book value of Centria's assets with their recoverable value (value in use). This recoverable amount is represented by the actual value of future cash flows that are estimated to arise from the continued use of the assets related to the cash-generating unit and the terminal value attributable to it.

The estimated expected cash flows related to the CGU in question were defined on the basis of the relevant 2025-2029 long-term plan approved by the board of directors, which takes into account the reference macroeconomic scenario. In the discounted future cash flow model, a terminal value is entered at the end of the cash flow projection period to reflect the residual value that the CGU is expected to generate. The terminal value represents the actual value, at the last year of the projection, of all subsequent cash flows calculated as perpetual income, using a perpetual growth rate (g-rate).

As a result of the impairment test, which was approved, together with the company's business plan, by the Board of Directors on 26 March 2025, the actual value of the expected cash flows generated by the aforementioned CGU was higher than the net book value tested for impairment, and consequently, no impairment was recognised.

Since the recoverable amount was determined on the basis of estimates, the Company cannot guarantee that there will be no impairment of the assets in future periods. Given the current market environment, the various factors used in the preparation of estimates could be revised; the Company will constantly monitor these factors and the indication of impairments.

Plant and machinery

The increases to the item Plant and Machinery, amounting to € 25,073,692, relate to investments relating to connections, urban networks and plants for works carried out by the company in 2024.

Income from work in progress in the previous year amounted to € 3,485,421.

The column “disposals and divestments” shows the divestments of pipes carried out during the year, with a net value of € 213,889.

It should be noted that the book value of the networks and connections (included in the item “plant and machinery”) includes the higher values that emerged following the transfer from Estra of the business unit relating to gas distribution and sale and distribution of LPG to Centria, which took place with effect from 1 January 2014, together with the deficit that emerged following the Melfi Reti Gas merger in 2019.

These higher values were equal to a net book value as at 1 January 2014 of € 117,757,592 for gas networks and € 53,217,838 for gas connections, for a total of € 170,975,429, plus an additional € 9,210,888 as at 15 October 2019 of net book value as merger deficit related to networks.

As at 31 December 2020, following the depreciation process and the various extraordinary transactions that have taken place, there were higher values associated with these items amounting to € 91,462,683 for networks and € 31,212,666 for connections, for a total of € 122,675,349.

As a result of Italian Law no. 126 of 13 October 2020 relating to “*Conversion into law, with amendments, of Italian Decree-Law no. 104 of 14 August 2020*”, for these higher values in 2020 Centria availed itself of the possibility of realigning civil and tax values, paying a 3% substitute tax for the purposes of tax recognition of the higher values recorded in the Financial Statements as at 31 December 2020.

From the 2021 financial year, therefore, it was also possible to deduct the higher depreciation for tax purposes.

The natural gas distribution service is entrusted by means of public tenders that do not refer to individual municipalities but to Minimum Economic Territorial Areas (“ATEMs”). Therefore, municipalities cannot independently proceed to award the service through individual tenders.

However, prior to the adoption of Italian Legislative Decree no. 164/2000 (“Letta Decree”), the gas distribution service was entrusted through direct assignment by individual municipalities. In addition, after the adoption of Italian Legislative Decree no. 164/2000 and until the issuance of the implementing decrees relating to it, the natural gas distribution service was entrusted through public tenders by the individual municipalities. Therefore, on this date, the Company still has a number of concessions awarded directly or by public tender by individual municipalities.

In the event of expiry of concessions, the duration of the concession relationship is deemed to be extended until the new tender is called. During this extension period, the existing relationships between the grantor and the concessionaire remain in force and, therefore, the latter remains obligated to continue to manage the service, limited to the ordinary administration, until the start date of the new assignment.

In addition, the outgoing operator meets all the obligations arising from the concession, including that of paying the concession fee due to the granting body.

If the Company fail to win the new tenders for the provision of the services that continue under the prorogation regime, when taking over, the new operator must pay the Company, as outgoing operator, a

sum of money in exchange for the transfer of the distribution networks from the outgoing operator to the new concessionaire.

This sum is determined on the basis of the provisions of the concession contract.

In the absence of a specific provision (or in the absence of certain elements), the contractual provisions are supplemented by the guidelines dictated by Italian Ministerial Decree 226/11.

In relation to the above, it should be noted that technical appraisals have shown a Residual Industrial Value (VIR) of networks, plants, connections and other assets pertaining to gas distribution that is higher than the net book value.

Industrial and commercial equipment

This item includes workshop equipment and meters for recording gas consumption at end customers.

Almost all of the increases originated from investments related to electronic meters, amounting to € 6,623,271, out of a total increase of € 7,457,491.

The “disposals and divestments” column includes the historical cost, accumulated depreciation and net book value of disposed assets, which consist almost entirely of meters.

Obligations to replace traditional meters imposed by the AEEG (Resolution 631/2013/R/gas, whose obligations were postponed by one year with Resolution 501/2020/R/gas) gave rise to capital losses of about € 107 thousand.

The replacements of the G4 and G6 meters decommissioned in this financial year and installed before 2015, however, are covered by the future revenue that the Authority will in any case continue to recognise in the VRT (Variable Rate Technology) meters in connection with the QA (depreciation portion).

With regard to electronic meters, it should be noted that, based on the analyses performed on the recoverability of the value of property, plant and equipment, in the 2019 financial year there were indicators of impairment related to this class that had led to a write-down, pursuant to OIC 9, of € 1.76 million, a write-down that was then increased by a further € 600 thousand in the 2022 financial year and a further € 1.63 million in the 2023 financial year.

At 31 December 2024, Centria again performed an impairment test, in accordance with OIC 9, for all malfunctioning electronic meters still in place at 31 December 2024 and also estimated possible future malfunctions, although these had not been identified at the end of the year.

Taking into account the possible field interventions that can be implemented and the compensation recognised by ARERA in the tariff for the absence depreciation on some types of meters, the recoverable value was slightly lower than the net book value by about € 266 thousand; therefore, in the 2024 financial year a further write-down was made for this amount.

Other Assets

This item includes office furniture, hardware, cars and trucks owned by the company, as well as assets related to concessions.

Fixed assets under construction and advances

Changes in this item originate from the capitalisation of costs for fixed assets still under construction as at 31 December 2024 and those that came into operation during the year.

These consist almost entirely of network extensions.

Financial fixed assets

Equity investments

Equity investments in subsidiaries and jointly controlled companies	Opening	Decreases	Increases	Other changes	Closing
Grosseto Energia Ambiente	36,159,000				36,159,000
Murgia Reti Gas	42,084,694				42,084,694
Edma Reti Gas	15,893,000				15,893,000
Total	94,136,694	0	0	0	94,136,694

It should be noted that the equity investment in the company Murgia Reti Gas was purchased on 1 April 2019 for a value of € 42 million plus ancillary notary charges (about € 11 thousand), subsequently increased following the payment of the price adjustment (about € 73 thousand) and therefore has a value as at 31 December 2024 of € 42.084 million. Murgia is 100% owned.

The equity investment in Gergas, with a value of € 11,988,000, was acquired in December 2020 following a contribution.

In 2022, following the contribution by the parent company Estra Spa, the value increased by € 24,171,000, therefore for a total of € 36,159,000, a value that remained unchanged until 2024.

The equity investment in Gergas is equal to 85.49%.

Also following a contribution by the parent company Estra Spa, Centria also acquired a 44.96% interest in Edma Reti Gas in 2022, thus representing a subsidiary (with joint control). The equity investment remained unchanged.

Information on equity investments with reference to the interest held and the comparison between their financial statements value and the corresponding portion of shareholders' equity as at 31 December 2024 is provided below:

Equity investments in subsidiaries and jointly controlled companies	% ownership	Shareholders equity 31.12.24	Profit for the year 31.12.24	Share of shareholders' equity	Equity investment value	Delta
Murgia Reti Gas Srl	100%	44,210,597	1,849,375	44,210,597	42,084,694	2,125,903
Gergas Spa	85.49%	42,597,508	1,187,653	36,416,610	36,159,000	257,610
Edma Reti Gas	45.00%	37,554,104	2,562,357	16,899,347	15,893,000	1,006,347

All equity investments are valued at cost.

It should be noted that in 2020 both the company Murgia Reti Gas and the company Gergas took advantage of the option for the civil and fiscal revaluation of assets (Italian Law no. 126 of 13 October 2020), with the consequent recognition of the emerging revaluation reserve under Shareholders' equity.

The values shown are already inclusive of the results of this operation.

With regard to the equity investment in Gergas, the corresponding portion of shareholders' equity is in line with the book value of the equity investment.

However, it should be noted that there are implicit unrecognised gains in the investee company's financial statements in relation to gas distribution, as the revaluation took place with a reduction in the appraised value of about 20%.

If the full value had been revalued, the corresponding portion of shareholders' equity attributable to Centria would have been much higher than the book value of the equity investment.

Receivables

Long-term receivables	31/12/2024	31/12/2023	Change
Receivables from others	5,232,186	5,211,583	20,603
Total	5,232,186	5,211,583	20,603

Receivables of € 5,232,186 are recorded under financial fixed assets.

Almost the entire amount (€ 5 million) relates to the receivable from the Municipality of Rieti as a one-off fee paid when the service was entrusted and to be repaid by the municipality at the expiry of the concession. This claim pertains to Centria following the merger with TuaRete. The remainder relates to security deposits for methane gas pipeline crossings.

CURRENT ASSETS

Inventories

The analysis of raw material inventories is as follows:

Inventories	31/12/2024	31/12/2023	Change
Raw and ancillary materials, consumables	2,494,057	3,563,704	-1,069,647
Total	2,494,057	3,563,704	-1,069,647

This item includes miscellaneous materials such as: pipes, meters, reducers, fuel and consumables for the maintenance and construction of the company's plant assets.

In addition, inventories of € 315,023 are included related to various LPG tanks.

As stated in the introduction, the valuation is carried out at weighted average cost and net of the inventory write-down provision of € 105 thousand.

Receivables

An analysis of the breakdown of receivables and a breakdown by maturity is provided below:

Receivables	31/12/2024	31/12/2023	Change
Receivables from users and customers	13,651,938	8,476,231	5,175,706
Receivables from subsidiaries	1,489,799	1,509,760	-19,962
Receivables from parent companies	916,471	1,711,259	-794,788
Receivables from companies subject to control	12,588,898	6,492,592	6,096,306
Tax receivables	0	1,703,594	-1,703,594
Deferred tax assets	15,334,830	14,516,403	818,427
Receivables from others	26,095,648	24,589,592	1,506,056
Total	70,077,583	58,999,432	11,078,151

Receivables	Within 12 months	Beyond 12 months	Beyond 5 years	Total
Receivables from users and customers	13,651,938			13,651,938
Receivables from subsidiaries	1,489,799			1,489,799
Receivables from parent companies	707,689	208,782		916,471
Receivables from companies subject to control	12,588,898			12,588,898
Tax receivables	0			0

Deferred tax assets	15,334,830			15,334,830
Receivables from others	20,794,955	5,300,694		26,095,648
Total	64,568,108	5,509,476		70,077,583

From customers

The customer balance is broken down as follows:

Trade receivables	31/12/2024	31/12/2023
For invoices issued	6,130,600	3,797,311
For invoices to be issued	7,947,986	5,097,772
Receivables from LPG customers	273,281	319,894
- provision for bad debts	-699,929	-738,746
Total	13,651,938	8,476,231

Trade receivables in the financial statements mainly include receivables, both for invoices issued and invoices to be issued, for transmission, network and other services, as well as invoices issued to end users for LPG consumption.

All trade receivables are due within 12 months and are due from Italian entities.

Compared to 2023, there was a significant increase in trade receivables, due to the increase in both the amount of pass-through and tariff components compared to the previous year.

The provision for bad debts changed as follows during the financial year:

Provision for bad debts	31/12/2024
Opening provision for bad debts	-738,746
Allocations	-107,635
Utilisation for losses on receivables	146,451
Closing provision for bad debts	-699,929

The amount of the provision is deemed adequate to cover the risks of uncollectability on the basis of assessments by analysis of the individual positions and the overall riskiness of the receivables.

From subsidiaries

Receivables from subsidiaries	31/12/2024	31/12/2023
Gergas Spa	316,614	318,323
Murgia Reti Gas Srl	600,537	811,363
Edma Reti Gas Srl	572,648	380,074
Total	1,489,799	1,509,760

Receivables from Murgia refer to the chargeback of costs for services, works, various services, leasing of the Campobasso ATEM business unit, and meter sales to Murgia Reti Gas during 2024.

Receivables from Gergas refer to recharges for work carried out by Centria on the Grosseto ATEM and for seconded staff.

The receivable of € 573 thousand from Edma Reti Gas originated from recharges of costs for seconded staff and various services carried out by Centria.

From parent companies

Receivables from parent companies	31/12/2024	31/12/2023
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Estra Spa	820,271	1,711,259
Alia Serv. Amb. Spa	96,200	
Total	916,471	1,711,259

Receivables from the parent company Estra refer, for € 208,782, to receivables assigned with recourse by the parent company and not collected as at 31 December 2024 and for the remaining portion to invoices issued and to be issued for services, reimbursement of costs for managing staff.

The significant decrease from last year is due to the absence this year of IRES receivables from tax consolidation, whereas last year they amounted to € 1,377,988.

Receivables from the parent company Alia, on the other hand, refer to recharges for network extensions.

From undertakings subject to control of parent companies

Receivables from companies subject to control of parent companies	31/12/2024	31/12/2023
Estracom Spa	8,520	8,520
Estra Clima Srl	10,879	99,586
Prometeo Spa	205,630	111,176
Estra Energie Srl	12,171,155	6,240,858
Ecolat Srl	4,873	756
Ecos Srl	4,844	600
Ecocentro Toscana S.R.L.	8,592	3,904
Publiacqua	174,404	27,192
Total	12,588,898	6,492,592

Receivables from companies subject to control of parent companies amounted to € 12,588,898 and showed a significant increase compared to the previous year.

The reason for this significant change is the same as that for trade receivables, i.e. the increase in pass-through and tariff components compared to the previous year, as this change is due almost exclusively to the amounts due from Estra Energie.

Receivables from Estra Energie and Prometeo originate from transmission service and ancillary services, both invoiced and to be invoiced.

Receivables from Estraclima originate from various recharges (e.g. motor vehicles), as do those from Ecos, Ecocentro and Ecolat.

Receivables from Estracom relate to space service.

Receivables from Publiacqua refer to re-invoicing of works.

Taxes

Tax receivables	31/12/2024	31/12/2023
IRES		4,636
IRAP		102,868
Receivables from the tax authority for VAT		1,595,759
Other tax receivables		330
Total		1,703,594

There are no tax receivables as at 31 December 2024.

In the previous financial year tax receivables consisted of a residual IRES receivable for Research and Development and IRAP receivable for advance payments made in excess of the tax that was due for 2023.

The company adheres to the tax consolidation, therefore, IRES receivables and payables are shown under receivables from or payables to the parent company, with the exception of previous ones that are not included in the consolidation.

In 2023, there was also a significant VAT receivable arising from the invoicing mechanism in force until mid-2023, which had resulted in credit notes being issued instead of invoices. Today this receivable has been fully absorbed.

Prepaid taxes

Temporary differences giving rise to deferred tax assets are detailed below:

Temporary difference	Opening temporary differences	Allocations	Utilisation	Closing temporary differences
Provision for risks	3,866,890	755,234	-1,205,127	3,416,997
Taxed provision for bad debts	504,789	84,142	0	588,931
Write-downs Property, plant and equipment/intangible assets	1,699,341	265,646	-884,045	1,080,941
Other temporary differences	1,278,997	992,554	-996,258	1,275,293
Excess statutory amortisation/depreciation	41,031,552	5,625,900	-633,950	46,023,502
Prepayments for connections	10,915,981	0	-366,079	10,549,902
Total	59,297,550	7,723,475	-4,085,460	62,935,565

This is the amount of prepaid taxes (calculated at a rate of 24%, except for those relating to the provision for risks and to the write-down calculated at a rate of 29.12%):

Prepaid taxes	Opening prepaid taxes	Allocations	Utilisation	Closing prepaid taxes
Provision for risks	1,126,038	219,924	-350,933	995,029
Taxed provision for bad debts	121,149	20,194		141,343
Write-downs Property, plant and equipment/intangible assets	494,848	77,356	-257,434	314,770
Other temporary differences	306,959	238,213	-239,102	306,070
Excess statutory amortisation/depreciation	9,847,573	1,350,216	-152,148	11,045,641
Prepayments for connections	2,619,835		-87,859	2,531,976
Total	14,516,403	1,905,903	-1,087,476	15,334,830

Prepaid taxes are mainly caused by the mismatch between civil and tax amortisation and depreciation rates, as well as the tax treatment of connections contributions.

These receivables are deemed recoverable from taxable income that will be generated in future years.

From others

The balance of receivables from others is broken down as follows:

Receivables from others	31/12/2024	31/12/2023
Security Deposits	-730	-730
Receivables from Social Security Institutions	7,260	7,675
Advances to suppliers	3,119,745	1,619,455
Energy Authority receivables	21,891,968	21,708,059
Receivables from other related parties	398,267	421,756
Other receivables	671,474	833,377
Receivables for interest from banks	7,665	
Total	26,095,648	24,589,592

Receivables from the Energy Authority mainly refer to amounts due in application of the equalisation mechanism with reference to the total distribution revenue constraint and pass-through components. The amount is roughly in line with that of last year.

The equalisation receivables amounts to about € 7.9 million and that for pass-through components about € 1.07 million.

There are also receivables for safety incentives (€ 7.15 million, relating to the years 2021 to 2024), TTEL and TECON reimbursements (€ 1.4 million, relating to the years 2021 to 2022 as from 2023 they have been

included in the equalisation balance), QA component that will be recognised in future VRTs and relating to divestments of traditional subsidised meters carried out up to 31 December 2024 (€ 0.56 million). Receivables related to the achievement of energy-saving targets account for only about € 14 thousand because Centria received an advance payment that almost entirely covers the receivable accrued as at 31 December 2024.

Receivables also include the amount recognised to Centria for IRMA (residual amount of non-applied depreciation) on traditional meters following Resolution 559/2021/R/gas of 9 December 2021 and additional amounts recognised from 2022 for IRMA on electronic meters already removed as at 31 December 2024 (as per Resolution 737/2022/R/gas of 29 December 2022, for a total receivable of approximately € 3.4 million.

Lastly, there are receivables of about € 320 thousand originating from various items (e.g. default charges and indemnities under Resolution 269/2022).

The amount included in advances to suppliers relates to one-off advances paid in view of future segment tenders (€ 1.23 million) plus additional amounts for advance payments, while receivables from other related parties refer to recharges and services rendered for other companies directly or indirectly owned by Estra (SIG, AES Fano and Sei Toscana).

Other receivables include the receivable for LPG tax-exemption and various receivables for insurance indemnities and reimbursements.

All receivables from others are due within 12 months, with the exception of advances for one-off tender expenses, a portion of approximately € 407 thousand included in Receivables from the Authority relating to future QAs to be recognised in the VRT and 1/5 of the IRMA on traditional meters amounting to approximately € 251 thousand.

Financial assets

As at 31 December 2024 there are no cash pooling receivables due to Centria as the cash pooling balance closes with a payable, shown under payables to the parent company, as was the case for the year 2023.

Cash and cash equivalents

The balance of cash and cash equivalents is broken down as follows:

Cash and cash equivalents	31/12/2024	31/12/2023
Bank and postal deposits	291,431	3,194,446
Cash and valuables on hand	16	16
Total	291,446	3,194,462

The balance represents cash and cash equivalents at the end of the financial year.

Accrued income and prepaid expenses

Accrued income and prepaid expenses	31/12/2024	31/12/2023
Prepaid expenses	39,146	45,985
Total	39,146	45,985

Prepaid expenses are broken down as follows:

Prepaid expenses	31/12/2024	31/12/2023
Mortgage appraisal fees		
Prepayments for insurance policies	34,893	25,286
Other prepayments	4,253	20,700
Total	39,146	45,985

Details of expiry of prepayments:

Within 12 months	Beyond 12 months	Beyond 5 years	Total
29,153	9,993		39,146

Balance Sheet - Liabilities**SHAREHOLDERS' EQUITY*****Statement of changes in shareholders' equity***

Statement of changes in shareholders' equity (in units of €)	Share Capital	Share premium reserve	Legal reserve	Extraordinary reserve	Retained earnings (losses carried forward)	Net income for the year	Total shareholders' equity
Opening balances	249,000,000	32,496,858	5,991,938	37,191,582	-2,007	994,189	325,672,560
Allocation of result			49,709	631,211	2,007	-682,927	0
Dividends distributed						-311,262	-311,262
Result for the year						6,643,368	6,643,368
Closing balances	249,000,000	32,496,858	6,041,647	37,822,793	0	6,643,368	332,004,666

Statement of changes in the last 3 financial years

	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	EXTRAORDINARY RESERVE	RETAINED EARNINGS (LOSSES CARRIED FORWARD)	CASH FLOW HEDGE RESERVE	PROFIT (LOSS) FOR THE YEAR	SHAREHOLDER S' EQUITY
Balances 31.12.2021	180,622,334	10,957,894	5,326,388	35,481,965	-2,007	0	8,115,387	240,501,961
Allocation of result			405,769	1,709,618			-2,115,387	0
Capital Increase	68,377,666	21,538,965						89,916,631
Dividend distribution							-6,000,000	-6,000,000
Distribution of reserves								0
Result for the year							5,195,604	5,195,604
Balances 31.12.2022	249,000,000	32,496,858	5,732,157	37,191,582	-2,007		5,195,604	329,614,195
Allocation of result			259,780				-259,780	0
Capital Increase								0
Dividend distribution							-4,935,823	-4,935,823
Distribution of reserves								0
Result for the year							994,189	994,189
Others								0
Balances 31.12.2023	249,000,000	32,496,858	5,991,938	37,191,582	-2,007		994,189	325,672,560
Allocation of result			49,709	631,211	2,007		-682,927	0
Capital Increase								0
Dividend distribution							-311,262	-311,262
Distribution of reserves								0
Result for the year							6,643,368	6,643,368
Others								0
Balances 31.12.2024	249,000,000	32,496,858	6,041,647	37,822,793	0		6,643,368	332,004,666

Changes in reserves*Legal reserve*

The increase in the legal reserve is attributable to the allocation of the 2023 profit.

Extraordinary reserve

The increase in the legal reserve is also attributable to the allocation of the 2023 profit.

Retained earnings (losses carried forward)

The losses carried forward from previous years were also covered with the allocation of the 2023 profit.

Possibility of utilisation and distribution of reserves

	Amount	Possibility of utilisation	Available portion	Summary of utilisations in the three previous years	
				to cover losses	for other reasons
SHARE CAPITAL	249,000,000	B			
<i>of which reserve pursuant to revision of Italian law no. 26/2020</i>	118,995,089	B			
Share capital reserves:					
Share premium reserve	32,496,858	A-B-C	32,496,858		
Profit Reserves:					
Legal reserve	6,041,647	B			
Extraordinary reserves	37,822,793	A-B-C	37,822,793		
Retained earnings (losses carried forward)		A-B-C			
Fair value valuation reserves					
Reserve for expected cash flow hedging transactions	0				
Total	325,361,298		70,319,651		

KEY

- A - For capital increase
 B - To cover losses
 C - For distribution to shareholders

Following the realignment of statutory and tax values that took place in the financial statements for the year ended as at 31 December 2020, a portion of share capital equal to the realigned amount (€ 122,675,349) net of the substitute tax (€ 3,680,260) was set as non-distributable, therefore for an amount of € 118,995,089.

PROVISIONS FOR RISKS AND CHARGES

Provision for risks and charges	31/12/2024	31/12/2023	Change
For taxes	208,305	237,642	-29,337
Other provisions for risks and charges	5,502,012	5,954,633	-452,621
Total	5,710,317	6,192,275	-481,958

Provision for deferred taxes

Temporary differences giving rise to deferred taxes are detailed below:

Details of temporary differences	Opening temporary differences	Allocations	Utilisation	Closing temporary differences
Other temporary differences	184,354		-73,448	110,907
Revaluation of property, plant and equipment and intangible assets	631,723		-27,297	604,426
Total	816,078		-100,745	715,333

This is the amount of deferred taxes (calculated at a rate of 24% for IRES plus 5.12% for IRAP):

Deferred taxes	Opening deferred taxes	Allocations	Utilisation	Closing deferred taxes
Other temporary differences	53,684		-21,388	32,296
Revaluation of property, plant and equipment and intangible assets	183,958		-7,949	176,009

Total	237,642	0	-29,337	208,305
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Deferred taxes are calculated on temporary differences between balance sheet assets/liabilities and tax assets/liabilities at the end of the financial year.

Deferred taxes, amounting to € 208,305, refer for € 179,009 to the misalignment of higher statutory values with respect to tax values originated by the contribution of a business unit by Energie Offida in 2017 and for € 32,296 to the above-described free transfer of assets.

Other provisions for risks and charges

Other provisions for risks and charges	Opening	Allocations	Reversal	Utilisation	Closing
Other risks	1,007,861	170,000	-383,644	-104,704	689,513
Disputes and defence legal costs	4,075,468	710,085		-844,357	3,941,196
Energy Efficiency Certificates	871,304				871,304
Total	5,954,633	880,085	-383,644	-949,062	5,502,012

The increase in the provision for future risks and charges for a total of € 880,085 is mainly composed of provisions for interest expenses that the company may have to pay for the delayed payment of disputed payable items, in the event of a negative outcome (€ 710,085).

There are also additional provisions of € 170,000 set aside to cover risks related to various penalties that the Authority might charge (default penalties, failure to read and replace meters, In & Out penalties as per Resolution 494/23).

There are no provisions to cover risks related to the performance of the energy efficiency bond market, as the existing provision is already sufficient.

With regard to decreases, the amount of € 104,704 was used for penalties on meter replacements and default service accrued in 2023 but charged in 2024, € 725,602 for interest expense paid in 2024 related to disputed payable items, € 118,755 for legal expenses, and about € 383 thousand was reversed in relation to Resolution no. 269/2022 as the amount accrued in 2023 was then found to be unnecessary.

The item Disputes and defence legal costs also includes the provision, already allocated in previous years, to cover all risks arising from the dispute with Toscana Energie for € 1.752 million, which is also adequate for 2024 considering the updated status of the dispute, as well as further amounts for ancillary legal expenses.

EMPLOYEE SEVERANCE INDEMNITY

Employee severance indemnity provision	31/12/2024	31/12/2023	Change
Employee severance indemnity	2,149,469	2,163,501	-14,032
Total	2,149,469	2,163,501	-14,032

The provision set aside represents the company's actual payable to employees in place as at 31 December 2024, net of advances paid.

Employee severance indemnity provision	Opening	Increases	Other changes	Decreases	Closing
Employee severance indemnity provision	2,163,501	603,708		-617,740	2,149,469
Total	2,163,501	603,708		-617,740	2,149,469

Increases relate to the portion of employee severance indemnity accrued during the year, while decreases originate from payments to pension funds for those employees who decided not to keep their severance indemnity in the company.

PAYABLES

An analysis of the breakdown of payables and a breakdown by maturity is provided below:

Payables	31/12/2024	31/12/2023	Change
Payables to shareholders for loans	70,000,000	70,000,000	0
Amounts due to banks	27,854,349	45,701,242	-17,846,893
Advances	468,215	472,880	-4,665
Trade payables	37,807,188	31,934,905	5,872,283
Payables to subsidiaries	400,667	173,893	226,774
Payables to parent companies (ref. pub. entities)	42,133,041	16,993,799	25,139,241
Payables to companies under control of parent companies	12,492,883	12,406,697	86,186
Tax payables	1,064,626	306,081	758,545
Payables to social security institutions	645,867	637,945	7,923
Other payables	11,043,587	5,684,426	5,359,161
Total	203,910,422	184,311,868	19,598,554

Payables	Within 12 months	Beyond 12 months	Beyond 5 years	Total
Payables to shareholders for loans		70,000,000		70,000,000
Amounts due to banks	12,497,574	15,356,775		27,854,349
Advances	16,350	451,865		468,215
Trade payables	37,578,396	228,792		37,807,188
Payables to subsidiaries	400,667			400,667
Payables to parent companies (ref. pub. entities)	42,133,041			42,133,041
Payables to companies under control of parent companies	597,648		11,895,235	12,492,883
Tax payables	1,064,626			1,064,626
Payables to social security institutions	645,867			645,867
Other payables	10,328,164		715,423	11,043,587
Total	175,262,332	16,037,432	12,610,658	203,910,422

Payables to shareholders for loans

Payables	31/12/2024	31/12/2023	Change
Payables to shareholders for loans	70,000,000	70,000,000	0

In 2022, a medium/long-term bullet loan of € 70 million was structured by the parent company Estra, maturing on 30 September 2027.

The interest rate applied is equal to the 6-month Euribor (measured at the beginning of the period) with zero floor, plus a spread of 258 bps.

As at 31 December 2024, therefore, the residual payable to shareholders for loans amounted to € 70 million.

Amounts due to banks

Amounts due to banks	31/12/2024	31/12/2023
Mortgages	27,815,521	45,659,372
Advances	38,828	41,870
Total	27,854,349	45,701,242

Amounts due to banks amounted to € 27,854,349 as at 31/12/2024.

The table below only shows changes related to mortgages:

Opening value	Disbursement	Other changes	Repayment	Closing value
45,659,372		66,868	-17,910,719	27,815,521

Mortgages are predominantly at variable rates. For more information on the characteristics, please refer to the Report on Operations.

Trade payables

	31/12/2024	31/12/2023	Change
Trade payables	37,807,188	31,934,905	5,872,283

Trade payables, amounting to € 37,807,188, relate to normal operations and originate from the supply of goods and services necessary for the Company to conduct its business.

The amount also includes payables accrued under concessions for distribution services in municipalities acquired through tenders.

The increase compared to 2023 derives from some payments that were postponed from the end of 2024 to the beginning of 2025.

All payables relate to the geographical area of Italy and are due within 12 months.

Payables to subsidiary companies

Payables to subsidiaries	31/12/2024	31/12/2023
Gergas Spa	45,000	45,000
Murgia Reti Gas Srl	308,030	116,366
Edma Reti Gas Srl	47,637	12,527
Total	400,667	173,893

Payables to subsidiary companies refer to payables to Murgia Reti Gas and originate entirely from the recharge to Centria of work performed at the Campobasso ATEM.

The amount shown under payables refers only to works in the last quarter of 2024, as the others had already been invoiced and paid for.

Payables to Gergas, on the other hand, refer to the payment of the rental fee for the Company's distribution business branch relating to the municipality of Castel del Piano.

Payables to Edma Reti Gas refer to various recharges (e.g. seconded staff).

Payables to parent companies

Payables to parent companies	31/12/2024	31/12/2023
Estra Spa	39,484,206	16,993,799
Alia Serv. Amb. Spa	2,648,834	
Total	42,133,041	16,993,799

Payables to the parent company Estra S.p.a. consist of the negative cash pooling balance (about € 31.6 million, while last year they amounted to € 10.6 million) and amounts due as a result of contracts entered into between the parent company and Centria, such as mainly the service, the use of the equipped space, and the recharge of all expenses incurred by Estra S.p.A. but pertaining to Centria (condominium, canteen, vehicle management, IT services, seconded staff, etc.).

Tax payables from consolidation amounted to € 1.95 million (last year there was a receivable).

Compared to last year, the change is attributable to the negative cash pooling balance (+ € 20 million), the tax liability from consolidation (+€ 1.95 million) and the increase in service (+ € 0.9 million). Payables to Alia originate from the service contract.

Payables to companies subject to control of parent companies

Payables to companies subject to control of parent companies	31/12/2024	31/12/2023
Estracom Spa	297,304	298,057
Estra Clima Srl	29,537	41,551
Prometeo Spa	253,574	253,393
Estra Energie Srl	11,794,376	11,805,125
Ecolat Srl		6,105
Ecos Srl	3,198	2,370
Publiacqua	114,895	96
Total	12,492,883	12,406,697

The main payables to group companies concern:

- Estra Energie for about € 11.6 million for security deposits received (as required by the network code) plus additional amounts for compensation, various services and energy consumption;
- Prometeo for security deposits;
- EstraCom for consumption of telephony and telecommunication services, also relating to plant;
- Estraclima for maintenance;
- Ecos for waste disposal service;
- Publiacqua for an advance received for a network expansion.

Tax payables

Tax payables	31/12/2024	31/12/2023
To the Tax Authority for current taxes	365,255	0
To the Tax Authority for VAT payable	381,654	0
Payables for withholding tax for self-employed persons/employees/occasional staff	310,983	305,566
Other tax payables	6,734	515
Total	1,064,626	306,081

Tax payables consist of the IRAP payable (€ 365,255), the VAT payable (€ 381,654), withholding taxes payable to the Tax Authority and other minor payables.

In 2023, the company had a receivable for both IRAP and VAT purposes.

Other payables

Other payables	31/12/2024	31/12/2023
Payables to CCSE	8,910,521	3,062,319
Payables to staff and accessories	1,437,587	1,390,111
Security Deposits	617,983	715,423
Sundry payables	77,495	516,573
Total	11,043,587	5,684,426

Payables to CCSE relate to amounts due to the Electricity and Gas Sector Equalisation Fund in connection with the equalisation mechanism and pass-through components.

The increase is due to the payable for pass-through components and equalisation advances to be paid.

The equalisation balance closes with a receivable in both 2024 and 2023.

Payables to staff mainly relate to payables for holidays and leave not taken and for the productivity bonus.

Other payables decreased significantly as last year they included the residual amounts due to customers originating from the issue of Credit Notes.

ACCRUED EXPENSES AND DEFERRED INCOME

Accrued expenses and deferred income	31/12/2024	31/12/2023	Change
Accrued expenses		7	-7
Deferred income	44,356,815	44,728,357	-371,542
Total	44,356,815	44,728,364	-371,549

The breakdown and maturity of deferred income is as follows:

Deferred income	Within 12 months	Beyond 12 months	Beyond 5 years	Total
Connections in progress			124,896	124,896
Connection contributions	558,951	2,224,666	14,783,235	17,566,853
Equipment contributions	853,710	3,414,282	22,151,037	26,419,029
Others	19,132	34,780	192,125	246,037
Total	1,431,793	5,673,729	37,251,293	44,356,815

The item "Connections in progress" includes contributions for connections that customers have already paid for during the 2024 financial year, but whose work has not yet been carried out, while "Connection contributions" includes the residual contributions for connections already in operation; contributions are gradually being depreciated/amortised over the useful life of the asset.

Prepayments on equipment contributions (i.e., relating to network extension works, other than connections, received from both private entities and public companies and public bodies in connection with extension requests), both in operation and not, are included in the item "equipment contributions".

Both contributions are gradually recognised in the income statement under item A5, in relation to the residual possibility of utilisation of the assets to which they refer, as shown in the valuation criteria.

COMMITMENTS, RISKS AND GUARANTEES

The company has outstanding sureties and guarantees not shown in the balance sheet.

In particular, they include:

- sureties related to the use of public land issued to the bodies that authorised works and for various risks totalling € 9,453,785;
- sureties issued in relation to the gas concession service for a total of € 1,650,300;
- guarantees issued in favour of the subsidiary Murgia Reti Gas towards the entities that authorised works and for various risks for a total of € 411,138;
- guarantees issued in favour of the parent company Estra Spa for a total value of € 187,472,711 to cover the issuance of bonds and loans.

INCOME STATEMENT

Production value

Production value	31/12/2024	31/12/2023	Change
Revenue from sales and services	67,039,067	59,214,664	7,824,403
Increases in fixed assets from in-house production	19,190,817	17,129,476	2,061,342
Other revenue and income (not sales/services)	29,211,093	12,591,835	16,619,258
Total	115,440,977	88,935,974	26,505,003

Revenue from sales and services

The breakdown of this item is as follows:

Revenue from sales and services	31/12/2024	31/12/2023	Change
Total VRT	60,520,466	52,773,451	7,747,015
LPG revenues	2,609,190	2,622,599	-13,410
Revenue from measurement activities	1,436,117	1,446,116	-9,999
Other revenue	1,786,501	1,983,902	-197,401
Contingencies	686,793	486,838	199,955
Total	67,039,067	59,312,907	7,726,160

The item VRT (Total Revenue Constraint) refers to revenue from transmission activities, while revenue from measurement activities include that related to the reading service carried out on behalf of sales companies, as well as the insurance portion to end customers, both revenues being typical of the distribution activity performed by Centria.

Centria's VRT for the year 2024 is € 60,520,466, compared to € 52,773,451 in 2023.

This amount also includes the provisions of Resolution 87/2025/R/gas of 11 March 2025 relating to the year 2024.

In particular, this resolution redetermines the recognition of operating costs in the tariff for the years 2020 to 2025.

However, considering that ARERA is postponing to a subsequent measure the redetermination of the reference tariffs for the gas distribution service for the years 2020, 2021, 2022 and 2023, these Financial Statements recognise the higher revenue only for the year 2024, equal to € 627,818.

The increase in the VRT is also due to the effect of the increase in investments in the year 2023 compared to 2022 and the increase in the regulatory WACC from 5.6% to 6.5%.

It should be noted that 2020 saw the entry into force of the new regulatory period for tariffs. The new 2020-2025 RTDG has precisely introduced substantial reductions in the tariff recognition of the operating costs recognised to the operator.

For the sake of completeness, it should be noted that, as reported in the section "Restatement of Comparative Figures", the Company analysed the effects of the application of the standard OIC 34 Revenues,

recognising effects exclusively related to the reclassifications of costs for additional components, in the context of which the Company acts as agent. These costs refer in particular to "CCSE components transmission" related to the sector contributions for the RS-REGS-UG1-UG2-UG3 components, amounts due to the Electricity and Gas Authority for the Electricity Sector Equalisation Fund in compliance with Resolution no. 159/08, as amended.

Below are the amounts involved:

Description	31-Dec-24	31-Dec-23
Revenue from CCSE additional components	13,486,091	74,994,089
CCSE additional components costs	(13,486,091)	(-74,994,089)

LPG revenue refers to sales activities in relation to the liquid propane gas market in accordance with the provisions of AEEGSI Resolution 633/13 on LPG tariffs and the Board of Directors' resolution on the tariffs to be applied to those municipalities with less than 300 active PDRs.

Other revenue includes: a) the recognitions of the TTEL and TCON components relating to 2024, for an amount of approximately € 643 thousand; b) future tariff recognitions of the QA relating to traditional meters decommissioned in 2024 and incentivised, net of the amount included in the VRT 2024 but pertaining to previous years as it relates to divestments carried out in past years, for a total net negative amount of approximately € 117 thousand; c) about € 0.92 million relating to IRMA (residual amount of missed depreciation) on electronic meters, recognised on the basis of Resolution 737/2022/R/gas of 29 December 2022; d) about € 178 thousand in revenue for customer insurance pursuant to Resolution 79/10; e) further marginal revenue for interconnection.

Contingent assets, amounting to a total of € 687 thousand, include equalisation adjustments, of which € 313 thousand originated from the updating of equalisation balances for the years 2017 to 2022 and the remainder from equalisation adjustments for 2023.

Last year, equalisation adjustments led to contingent assets of € 486 thousand.

The geographical area covered by the revenue is the national territory.

Increases in fixed assets from in-house production

Increases in fixed assets from in-house production	31/12/2024	31/12/2023	Change
Purchase of goods (materials for inventories)	8,949,421	7,834,914	1,114,507
Staff	7,004,457	6,404,244	600,212
Other charges	3,236,940	2,890,317	346,623
Total	19,190,817	17,129,476	2,061,342

As mentioned in the section on "Restatement of comparative figures", the balance of increases in non-current assets from in-house production has been shown net of external costs that have been charged directly to increases to tangible assets.

Other revenue and income

Other revenue and income	31/12/2024	31/12/2023	Change
Revenue from compensation	128,412	837,550	-709,138
Sundry contingencies	489,851	192,155	297,696
Other revenue and income	4,746,572	4,570,817	175,756
Revenue from portion of connection contributions	551,685	530,096	21,589
Equipment contributions	852,498	845,951	6,547
Revenues from documentary checks	118,215	123,019	-4,804
Revenue from TEEs	21,734,276	5,253,988	16,480,289
Reimbursement of vehicle expenses	85,735	50,349	35,386
Operating grants		101,215	-101,215
Reimbursement of sundry expenses	18,605	15,882	2,723
Rents and other property income	100,000		100,000
Capital gains from disposals	1,600	15,930	-14,330
Reversal of provision for risks	383,644	54,883	328,761
Total	29,211,093	12,591,835	16,619,258

The item "revenue from compensation" includes various marginal amounts recognised for penalties or breach of contract.

In 2023, this item also included the compensation paid by suppliers for malfunctions of electronic meters.

The item "Revenue from portion of connection contributions" includes the annual portion of contributions that are allocated to the income statement based on the depreciation period of the property, plant and equipment to which they relate.

Revenue from TEEs includes the contribution related to TEEs purchased from 1 January to 31 December, net of those sold.

With Resolution 283/2024/R/EFR of 10 July 2024, ARERA published the value of the tariff contribution, equal to 248.99 €/TEE, to be recognised to distributors within the framework of the energy efficiency certificates mechanism for the 2023 obligation year.

Therefore, the contribution for certificates purchased from 1 January to 31 May 2024 (closing date of the 2023 obligation year) was 248.99 €/TEE (on 2,745 TEEs), to which the contribution recognised for the redemption of virtual TEEs from previous years (260.10 €/TEE for 24,429 TEEs and 258.99 €/TEE for 35,465 TEEs) was added.

For securities purchased from 1 June 2024, the contribution was estimated at 246.36 €/TEE, considering the market price trend.

Compared to 2023, there is a significant increase in TEE revenues, due to the higher number of TEEs purchased (about twice as many: 85 thousand TEEs in 2024 against 43 thousand in 2023).

Other revenue and income, amounting to € 4.75 million, include the following amounts:

- € 99.5 thousand for recharges to Estra for service;
- € 522 thousand in recharges to Murgia for service, meter sales and various services;
- € 561 thousand in revenue from Edma Reti Gas for TEE-related services and recharges of seconded staff;
- € 123 thousand for service and recharges of staff seconded to AES Fano;
- € 243 thousand payable to Gergas for work carried out by Centria in municipalities of the Grosseto

- ATEM, service and recharge of seconded staff costs;
- € 83 thousand to SIG for service and various recharges;
 - € 100 thousand for reimbursement of default charges;
 - around € 666 thousand for ancillary services related to the transmission service;
 - € 1.73 million for safety incentives for the year 2023;
 - € 109 thousand for recharges for remuneration for offices;
 - € 217 thousand for tank wagon service;
 - € 283 thousand for sundry revenue.

Sundry contingencies refer to higher revenues pertaining to previous years, the most significant amount of which relates to safety incentives.

PRODUCTION COSTS

Production costs	31/12/2024	31/12/2023	Change
Raw and ancillary materials, consumables and goods	11,752,654	10,475,701	1,276,954
Services	15,237,218	15,566,838	-329,620
Use of third-party assets	10,218,579	9,887,698	330,881
Personnel costs	13,066,485	12,739,282	327,204
Amortisation of intangible assets	1,705,166	1,345,565	359,602
Depreciation of property, plant and equipment	20,754,971	20,085,178	669,793
Other write-downs of fixed assets	265,647	1,630,906	-1,365,259
Write-down of receivables in current assets	107,635	73,500	34,135
Change in raw material inventories	1,069,647	1,256,291	-186,644
Sundry operating expenses	26,316,746	9,049,018	17,267,729
Total	100,494,748	82,109,976	18,384,772

For raw and ancillary materials, consumables and goods

Raw and ancillary materials, consumables and goods	31/12/2024	31/12/2023	Change
Purchase of electricity for industrial use	217,721	200,153	17,567
Purchase of inventory materials	3,375,501	3,857,787	-482,285
Purchases of consumables	7,020	3,498	3,522
Purchase of goods	1,282,735	673,455	609,280
Purchase of motor fuels	388,258	362,167	26,091
Other purchases	5,549,436	4,815,182	734,254
Purchase of methane gas	931,984	563,459	368,525
Total	11,752,654	10,475,701	1,276,954

This item includes costs for consumables and inventory materials, purchases of LPG, fuel for company vehicles, and electricity and gas for ordinary operations.

Most of these costs were then capitalised as they related to investment activities (e.g. meter placements, materials for network expansion or connections realisation, furniture and fittings, etc.).

The cost for the purchase of LPG was about € 1.22 million (in line with the 2023 cost of about € 1.20 million).

For services

The breakdown of this item is as follows:

Costs for services	31/12/2024	31/12/2023	Change
Service from parent companies	6,259,707	5,772,854	486,854
Services rendered by gas distribution companies	35,390	28,405	6,985
Billing costs	20,071	9,396	10,676
Contracts for works	17,792,256	10,981,650	6,810,607
Telecommunications connection services	69,617	44,840	24,777
Telephone and telecommunications costs	2,008,927	1,889,322	119,605
Machinery and plant maintenance expenses	354,795	236,337	118,458
Utilities and facilities maintenance costs	13,048	22,859	-9,811
Property maintenance for third parties		28,876	-28,876
Legal, notary, tax and administrative consultancy	312,068	297,738	14,330
Technical services and consultancy	890,374	635,164	255,210
Remuneration of the Board of Statutory Auditors	51,246	47,002	4,244
Remuneration of the Board of Directors	134,240	109,501	24,739
Auditing company fees	41,000	52,000	-11,000
External EDP assistance	2,510,001	1,060,197	1,449,804
Postal charges	8,025	20,240	-12,215
Insurance costs	384,960	595,202	-210,242
Bank charges	36,795	47,788	-10,993
Seconded staff	281,014	434,632	-153,618
Cleaning and security services	11,807	8,486	3,321
Canteen services	327,732	311,206	16,526
Entertainment expenses	1,936	1,596	340
Transport costs	61,514	32,480	29,034
Other sundry expenses	396,151	484,406	-88,256
Emergency services	368,865	386,676	-17,811
Meter reading costs	443,985	496,863	-52,879
Condominium expenses		368	-368
Maintenance and upgrading of thermal plants	72,093	66,411	5,682
Professional services	4,407,979	1,352,988	3,054,991
Waste disposal	40,329	30,478	9,851
Capitalised external costs	-22,098,708	-9,919,122	-12,179,586
Total	15,237,218	15,566,838	-329,620

The item “services from parent companies” includes recharges by Estra and Alia for all services rendered to Centria, amounting to € 6.26 million in 2024 (of which € 3.62 million from Estra and € 2.64 million from Alia).

The significant increase in certain service costs (e.g. costs for works contracts, external EDP assistance, professional services, technical services and consultancy) was also reflected in an increase in the capitalised amounts for these items compared to the previous year, as most of these costs relate to investment activities. In fact, the total amount of capitalised service costs in 2024 is about € 22 million, compared to € 10 million in the previous year.

In addition to mobile and fixed telephony, telephone and telecommunication costs also include costs originating from installations.

The increase is due to the gradual replacement of traditional meters with smart meters, which communicate via SIM cards.

External EDP support includes all costs related to smart metering software fees, IT consultancy, fees, software support and maintenance.

As already explained, there is a significant increase compared to last year, but this is due to higher capitalised costs.

Meter reading costs also include, as in the previous year, the costs incurred by Centria for the service it performs on behalf of Edma Reti Gas on a contract basis for the parent company and whose amount is then re-invoiced to Estra.

Professional services mainly comprise activities related to the connections of external estimators and other investment-related activities, as well as a non-capitalised portion of consultancy and miscellaneous services. Other sundry expenses include costs for document verification, car maintenance, etc.

The cost of the emergency service switchboard also includes the service fee for Edma Reti Gas.

Use of third party assets

The breakdown of this item is as follows:

Cost for use of third-party assets	31/12/2024	31/12/2023	Change
Rent of corporate offices	1,023,813	1,020,029	3,785
Sundry leases and rents	1,547,424	1,699,469	-152,045
State property concession fees	249,158	277,564	-28,406
Gas distribution concession fees	7,608,911	7,040,100	568,811
Capitalised external costs	-210,727	-149,463	-61,264
Total	10,218,579	9,887,698	330,881

Rents concern the company headquarters and the various peripheral offices.

The item "Sundry leases and rent" includes car rental fees and other sundry lease fees (e.g., equipment, printers, etc.) as well as the amount of condominium expenses, amounting to € 705,361 compared to € 835,650 in the previous year).

The concession fees pertaining to 2024 that are recognised to the municipalities contracted with the natural gas distribution and metering service amount to a total of € 7,606,522 and are distributed as follows:

- € 2,921,001 paid to the 71 municipalities contracting with the service and shareholders of Coingas S.p.A. of Arezzo, Consiag S.p.A. of Prato and Intesa S.p.A. of Siena;
- € 2,953,190 to the 5 municipalities in which the natural gas distribution and metering service was acquired in concession following public tenders (Cavriglia, Figline Valdarno, Montevarchi, Seravezza, Caprese Michelangelo);
- € 1,426,379 to the new four municipalities managed from 2018 of Rieti, Mosciano, Citerna and Magione;
- € 61,420 to municipalities for the LPG service;
- € 244,532 to the municipalities of the Isernia ATEM.

The concession fees for the year 2024 are defined on the basis of the ARERA tariff determinations.

With regard to the fees of the Municipality of Seravezza (post-2017) and the Municipalities of Valdarno (Montevarchi, Cavriglia and Figline Valdarno), which are managed under a concessionary prorogation by law regime, please note that the Company has initiated legal disputes concerning the definition of the amount of the concession fees due to these Municipalities.

Please refer to the ongoing disputes section for more details.

In these financial statements, in continuity with previous years, the full contractual amount has continued to be recognised at cost.

The item State concession fees, equal to € 249,158, includes the concession fees for gas pipeline crossings.

Approximately € 210 thousand of capitalised costs for the use of third-party assets are recognised (this refers, in particular, to the payment of State concession fees due when works such as network extensions are carried out).

Personnel costs

The breakdown of this item is as follows:

Personnel costs	31/12/2024	31/12/2023	Change
Wages and salaries	9,115,039	8,834,969	280,070
Social charges	3,323,225	3,293,726	29,499
Employee severance indemnity	603,708	586,382	17,326
Other personnel costs	24,513	24,205	308
Total	13,066,485	12,739,282	327,204

This item represents the total company costs for the two contracts applied, the Federgasacqua contract for employees and the Confservizi contract for managers, and includes all costs incurred, including the cost of holidays not taken.

The amount is slightly higher than last year, also considering that there were contractual increases.

Depreciation, amortisation and write-downs

Depreciation and amortisation only reflect economic and technical criteria.

Amortisation of intangible assets	31/12/2024	31/12/2023	Change
Amortisation of start-up and expansion costs		2,650	-2,650
Amortisation of concessions, trademarks and licences	1,705,061	1,342,810	362,252
Amortisation of other intangible assets	105	105	0
Total	1,705,166	1,345,565	359,602

Depreciation of property, plant and equipment	31/12/2024	31/12/2023	Change
Depreciation of land and buildings	37,021	44,162	-7,141
Depreciation of plant and machinery	16,117,620	15,553,817	563,803
Depreciation of industrial and commercial equipment	4,540,806	4,402,124	138,682
Depreciation of other property, plant and equipment	59,524	85,076	-25,552
Total	20,754,971	20,085,178	669,793

For comments, please refer to the items under assets in the balance sheet.

Write-downs

As already explained in the section on property, plant and equipment, an impairment of € 265,647 relating to electronic meters has been recorded.

Centria carried out an impairment test, in accordance with OIC 9, for all malfunctioning electronic meters still in place as at 31 December 2024 and also estimated possible future malfunctions, although these had not been identified at the end of the financial year.

Taking into account possible field interventions and the compensation recognised by ARERA in the tariff for the absence of depreciation on some types of meters, the recoverable value was lower than the net book value by € 265,647, so a write-down for this amount was made in the financial year 2024.

Sundry operating expenses

The breakdown of this item is as follows:

Sundry operating expenses	31/12/2024	31/12/2023	Change
Sundry indirect taxes and duties	170,035	96,214	73,822
Stationery and printed matter	17,952	30,206	-12,254
Membership fees	2,102	1,102	1,000
Contribution to Energy and Gas Authority	16,431	20,172	-3,741
Damages	-4,638	26,192	-30,830
Administrative sanctions	9,262	3,898	5,364
Other sundry expenses	87,882	47,186	40,696
Compensation to customers	929,006	451,846	477,161
Civil utilities liability insurance account	180,270	180,257	14
Other non-extraordinary contingencies	31,576	4,727	26,849
Taxes for occupying public areas	920,398	775,388	145,010
Costs for purchase and production of TEE certificates	21,211,740	5,253,988	15,957,753
Capital losses on disposals	2,979,130	1,894,940	1,084,190
Allocation to sundry operating expenses risks	170,000	400,000	-230,000
Capitalised external costs	-404,402	-137,098	-267,304
Total	26,316,746	9,049,018	17,267,729

The costs of purchasing and producing TEEs relate to purchases made in the year 2024, for the purpose of obtaining energy saving certificates to meet the obligations imposed by sector regulations.

A total of 84,985 TEEs were purchased at a cost of € 21,211,740 (compared to 42,921, both real and virtual, last year).

In 2024, unlike previous years, it was not necessary to use the provision for risks to cover losses on TEEs, as operations closed with a positive result for the year 2024 of a little more than € 500 thousand (in 2023, on the other hand, the provision for risks had been used for an amount of € 228,038).

The item "Provision for risks for sundry operating expenses" includes provisions made for risks related to various penalties that the Authority might charge for a total of € 170 thousand (default penalties, failure to read and replace meters, IN & OUT penalties).

As already explained in the section on revenue, it should be noted that, in application of OIC 34, pass-through components have been netted and only the debit and credit transactions that originated them are shown in the balance sheet.

For comparative purposes, they were also netted for the year 2023.

The capital losses originated both from the obligation to replace traditional meters imposed by the Authority (about € 107 thousand for which, however, the QA component will continue to be recognised in the VRT if installed by 2014), and from the decommissioning of non-functioning electronic meters (about € 1 million, for which IRMA revenue on electronic meters decommissioned in 2024 for about € 920 thousand are recognised under other revenues), as well as from the decommissioning of pipes (about € 82 thousand) and sundry disposals (about € 142 thousand).

The remainder of the capital losses, amounting to approximately € 1.65 million, originated from the divestment of a portion of costs allocated to intangible assets under construction incurred in the years between 2016 and 2018 and related to the activity of simulating tenders in specific ATEMs, (training hours of internal staff, professional consultancy, external technical services, use of software and hardware, etc.), as they no longer have any residual usefulness, also considering the change in regulations and the number of years that have passed since they were incurred.

Indirect taxes and duties include IMU, TASI, virtual stamps, and administrative rights; taxes for occupying public areas include TOSAP, which the company pays to municipalities where methane gas distribution networks are located; indemnities to customers mainly include amounts paid to sales companies for meter reading indemnities.

Lastly, approximately € 400 thousand in capitalised sundry operating expenses are present (this refers, in particular, to the payment of taxes for the occupation of public spaces and areas and related taxes, necessary to carry out investment works).

FINANCIAL INCOME AND EXPENSES

Financial income and expenses	31/12/2024	31/12/2023	Change
Income from equity investments	2,902,718	2,467,055	435,663
Other financial income	191,239	311,477	-120,238
Interest and other financial expenses	9,520,539	9,293,267	227,271
Total	-6,426,581	-6,514,736	88,154

Other financial income

Other financial income	31/12/2024	31/12/2023	Change
Interest income on receivables from parent companies	91,293	291,778	-200,485
Interest income on bank and postal accounts	34,024	8,027	25,997
Interest on overdue trade receivables	58,407	1,477	56,930
Other financial income	7,516	10,195	-2,679
Total	191,239	311,477	-120,238

Interest income from parent companies originates from the remuneration of the positive balance of cash pooling accounts.

Interest on arrears to sales companies is due to late payment of transmission invoices.

Other financial income is related to the portion of implicit interest income arising from the recognition of the revenue and the discounting, starting in 2019, of the future QA portions that the Authority will recognise for the replacements of traditional subsidised meters.

Therefore, the portion of implicit interest income accrued is recognised in the income statement.

Interest and other financial expenses

Financial expenses	31/12/2024	31/12/2023	Change
To parent companies	6,530,989	4,375,536	2,155,453
To others	2,989,549	4,917,732	-1,928,182
Total	9,520,539	9,293,267	227,271

Financial expenses to parent companies

The amount of € 6,530,989 relates to interest paid to the parent company on outstanding loans (€ 4.76 million vs. € 4.14 million in 2023), plus interest expenses for utilisation of the cash pooling facility (€ 1.77 million vs. € 112 thousand in 2023), plus other amounts for interest recharged for commissions on overdrafts by Estra.

The significant increase compared to 2023 is related to the higher utilisation of cash pooling accounts and, to a lesser extent, to the higher interest rate applied to the loan of € 70 million outstanding with the Parent Company, which is regulated at a variable rate.

Breakdown of financial expenses to others

Other financial expenses are broken down as shown in the table below:

Interest and other financial expenses	31/12/2024	31/12/2023	Change
Interest expenses on loans	2,278,582	2,997,740	-719,159
Other financial expenses	710,626	1,910,142	-1,199,515
Interest on arrears	341	9,850	-9,508
Total	2,989,549	4,917,732	-1,928,182

The decrease in interest expenses on mortgages is related to the gradual repayment of the principal of outstanding loans.

The item other financial expenses includes provisions for interest expenses that the company may have to pay for late payment of disputed payable items, in the event of a negative outcome.

Taxes for the year

The breakdown of operating taxes, which had an impact of € 1,876,280, is as follows:

Taxes	31/12/2024	31/12/2023	Change
IRES	2,002,612	520,565	1,482,047
IRAP	730,511	371,311	359,200
Taxes for previous years	-9,079	77,819	-86,898
Current taxes	2,724,044	969,695	1,754,349
Deferred taxes	-29,337	-30,304	967
Prepaid taxes	-818,427	-1,622,317	803,890
Total	1,876,280	-682,926	2,559,206

Regarding changes in deferred tax assets and liabilities, please refer to the notes to the relevant asset and liability items in the Balance Sheet.

Please note that the company has opted for the tax regime known as the National Tax Consolidation, whose rules are set forth in Articles 117 to 129 of Italian Presidential Decree no. 917/1986. This optional regime, which is also valid for 2023, provides for the determination by the parent company of a single group taxable income, corresponding to the algebraic sum of the total net income of the participating entities and, consequently, of a single income tax for the group companies.

Reconciliation between the financial statements tax burden and the theoretical tax burden

IRES	Value	Taxes
Profit before tax	8,519,647	
Theoretical tax burden (%)	24.00%	
Theoretical IRES		2,044,715
Temporary taxable differences in subsequent years:	5,484,731	1,316,335
Temporary differences deductible in subsequent years:	1,956,782	469,628
Reversal of temporary differences from previous years	-2,615,927	-627,822
Differences that will not be reversed in subsequent years	-5,001,016	-1,200,244
ACE deduction	0	0
Taxable income	8,344,217	
Effective IRES	23.51%	2,002,612

IRAP	Value	Taxes
Difference between production value and production costs	28,746,749	
Non-deductible costs for IRAP purposes	329,997	
Gross production value for IRAP purposes	29,076,745	
Theoretical tax burden (%)	5.12%	1,488,850
decreases	-1,491,149	-76,347
Deductions	-13,320,264	-681,998
Taxable income	14,265,333	
IRAP for the year	2.51%	730,511

Public grants received

With reference to the changes introduced by Italian Law no. 124 of 4 August 2017 "Annual law on competition", in Article 1, paragraphs 125-129, it should be noted that during 2024 the following grants were received from public entities.

These contributions relate to interventions on the natural gas distribution network and connections.

Beneficiary	Granting body		VAT NUMBER	Type of operation	Amount
	Name	Tax code			
CENTRIA srl	MUNICIPALITY FIGLINE INCISA VALDARNO	06396970482	06396970482	Equipment contribution (distribution network)	12,548
CENTRIA srl	ANAS S.p.a.	80208450587	02133681003	Equipment contribution (distribution network)	93,718
CENTRIA srl	METROPOLITAN CITY OF FLORENCE	80016450480	01709770489	Equipment contribution (distribution network)	36,480
CENTRIA srl	MUNICIPALITY OF MONTESPERTOLI	01175300480	01175300480	Equipment contribution (water network)	71,983
CENTRIA srl	MUNICIPALITY OF RIETI	00100700574	00100700574	Contribution for LPG price reduction	59,431

For further information, please refer to the National State Aid Register.

Transactions with related parties

With reference to the disclosure required by Article 2427, no. 22-bis, of the Italian Civil Code, there are no transactions with related parties not concluded at normal market conditions to be reported.

The following table summarises the 2024 costs and revenues with respect to shareholders, the parent company and associated companies and companies directly or indirectly controlled by Estrada SpA.

Costs and revenues pertaining to associated companies, group companies and parent companies

Company	Costs	Revenue
ESTRA SPA	12,421,764	191,730
ALIA SERVIZI AMBIENTALI SPA	2,593,265	39,291
ESTRA ENERGIE SRL	1,068,058	35,902,315
ESTRA COM SPA	2,129,642	8,520
ESTRA CLIMA SRL	141,659	12,652
GERGAS SPA	150,526	275,123
EDMA RETI GAS SRL	-1,769,052	592,471
PROMETEO SPA	15,398	933,016
AES FANO DISTRIB. GAS SRL	-8,591	148,003
MURGIA RETI GAS SRL	-599,756	630,718
SIG	-8,818	141,442
ECOLAT SRL	0	4,873
ECOCENTRE TOSCANA SRL	0	8,592
ECOS SRL	39,480	4,844
SEI TOSCANA	0	0
PUBLIACQUA	2,620	58,665
Total	16,176,195	38,952,256

Please refer to what has been described earlier in this document and to the specific paragraph in the Report on Operations for more details on the nature of the transactions underlying the above amounts.

Employees

With reference to Article 2427, no. 15, of the Italian Civil Code, the following table shows the average number of functional employees, the breakdown of employees by category, and also, for the sake of clarity, a comparison with the previous year's figures.

Average workforce by qualification	31/12/2024	31/12/2023
Managers	5	5
White-collar workers and managers	112	114
Blue-collar workers	108	107
Total	225	226

Remuneration to Directors and Statutory Auditors

With reference to Article 2427, no. 16, of the Italian Civil Code, the remuneration due to the directors, pursuant to Article 2389 of the Italian Civil Code, to the Auditing Company and to the Board of Statutory Auditors is shown below:

Remuneration	31/12/2024
Remuneration of the Board of Directors	134,240
Remuneration of the Board of Statutory Auditors	51,246
Auditing company fees	30,500
Total	215,986

Proposed allocation of the annual result

The Board of Directors proposes to the Shareholders to allocate the profit of € 6,643,368 from the financial statements for the year ended as at 31 December 2024 as follows:

- € 332,168, equal to 5.00% of the profit realised, to increase the legal reserve;
- € 6,311,200 distributed to shareholders according to their respective shares.

These financial statements, consisting of the Balance Sheet, Income Statement, Cash Flow Statement and Notes to the Financial Statements, give a true and fair view of the financial position and results of operations for the year and correspond to the accounting records.

Arezzo, 26 March 2025

For the Board of Directors
The Chief Executive Officer
Riccardo Matteini
Signed



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the quotaholders of
Centria Srl

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Centria Srl (the Company), which comprise the balance sheet as of 31 December 2024, the income statement and statement of cash flows for the year then ended and related notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

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

Other Matters

The financial statements of Centria Srl the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 12 April 2024. The explanatory note "Restatement of Comparative Figures" illustrates the effects of the restatement of certain comparative figures relating to the previous financial year, as compared to the figures previously presented.

PricewaterhouseCoopers SpA

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Responsibilities of the Directors and the Board of Statutory Auditors 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 Italian laws governing the criteria for their preparation and, in the terms prescribed by 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, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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;

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

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10

The directors of Centria Srl are responsible for preparing a report on operations of Centria Srl as of 31 December 2024, including its consistency with the relevant financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations with the financial statements;
- express an opinion on the compliance with the law of the report on operations;
- issue a statement on material misstatements, if any, in the report on operations.

In our opinion, the report on operations is consistent with the financial statements of Centria Srl as of 31 December 2024.

Moreover, in our opinion, the report on operation is prepared in compliance with the law.



With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Florence, 24 April 2025

PricewaterhouseCoopers SpA

Signed by

Federico Bitossi
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative. We have not examined the translation of the financial statements referred to in this report.