UNDO SRL

Consolidated financial statements for the year ended 31 December 2024

“This document is a translation of the original version in Italian”.

Index

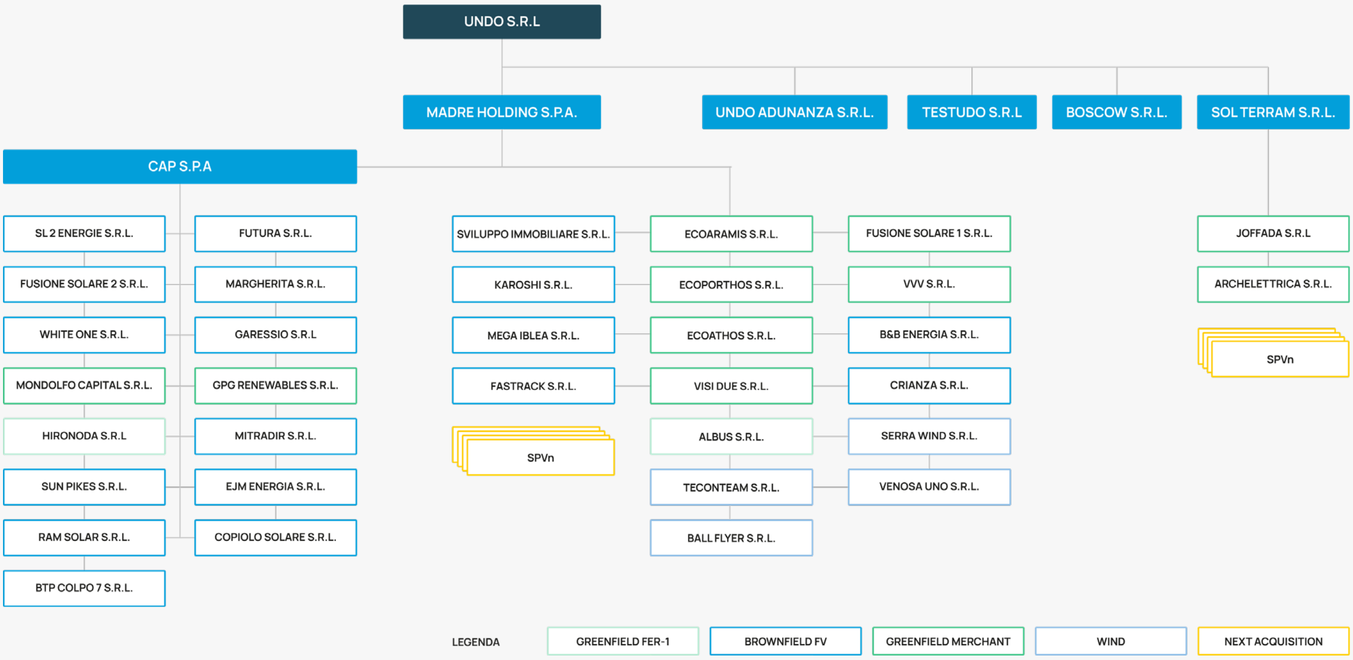
Company data

UNDO SRL

REGISTERED OFFICE OF THE PARENT COMPANY:
Via XX Settembre, 001 Rome, Italy

LEGAL DATA OF THE PARENT COMPANY:
Authorized share capital Euro: 10,360,000.00 iv
Rome Company Register No. 17004581009
REA n. RM-1689537

GROUP STRUCTURE:



REGISTERED OFFICE OF CONTROLLED COMPANIES:

Participated - Company Name	Participant - Company name	Registered office	Share Capital
MADRE HOLDING SPA	UNDO SRL	Via XX Settembre, 1 ROME (RM)	4,500
UNDO ADUNANZA SRL	UNDO SRL	Via XX Settembre, 1 ROME (RM)	150,000
TESTUDO SRL	UNDO SRL	Via XX Settembre, 1 ROME (RM)	100,000
BOSCOW SOC. AGR. A RL	UNDO SRL	Via XX Settembre, 1 ROME (RM)	12,000
SOL TERRAM SRL	UNDO SRL	Via XX Settembre, 1 ROME (RM))	1,0

Composition of the corporate bodies

BOARD OF DIRECTORS

- Panaro Giacomo, *Chairman of the Board of Directors*
- Deodati Umberto, Chief Executive Officer (*CEO)*
- Monaco Giuseppe, Chief Investment Officer (*CIO)*
- Pistoia Daniele, Chief Research & Development *(CR&DO)*
- Pacheco Delgado Lara, Managing Director
- Overgaard Søren Martin, Managing Director
- Ullerup Kenneth, Managing Director

BOARD OF AUDITORS

- Frè Torelli Massini Pier Andrea, *Chairman of the Board of Auditors*
- Emma Marco, *Acting Auditor*
- Sylos Labini Stefania, *Acting Auditor*
- De Mauro Anna Rita, *Deputy Auditor*
- Fiorentino Marco, *Deputy Auditor*

AUDITING FIRM

EY S.p.A.

MANAGEMENT REPORT

Letter from the CEO,

Looking back on the past year, I can only be proud of the extraordinary journey we have made together. 2024 was a year of exceptional growth and transformation for Undo, in which we achieved important milestones and laid solid foundations for our future.
Growth is reflected in the numbers: we achieved consolidated revenues of **22 million euros**, with an **EBITDA** of **15.6 million**. Our plants generated **85 GWh** of clean energy during the year, contributing to the country's energy transition. We expanded our portfolio by completing and acquiring photovoltaic plants for a total of **73 MW** of new installed capacity.

In 2024, our M&A activities included acquisition of **Venosa (1 MW wind), Free Sun Power (1 MW PV), Nostalgia (7 MW PV) and Mondovì (1.7 MW PV)** . We also built **Mondolfo (7 MW PV)**, the largest plant currently under management, and started the **Villapiana construction site (7 MW PV)**.

Mondolfo (7 MW PV):

To support our growth, we have obtained new financing for a total of **155 million euros**, including a **25 million bond issue** and project financing operations for **114 million**, demonstrating the trust that financial institutions and investors place in our business model.

Undo's growth in 2024 was not only in the financial results, but also in our organization. We worked to simplify and strengthen the corporate structure, completing the merger of **80 special purpose vehicles (SPV)** into 40, a rationalization operation that improves management efficiency and prepares us for a more streamlined management of our assets.

We also invested in people: new talents joined our team, bringing enthusiasm and valuable skills. In parallel, we implemented an **ERP management system** to optimize internal processes and support future growth. Last but not least, we renewed our image and communication with the launch of a new website, a sign of an evolving and increasingly outward-facing reality.

Undo's results are even more exceptional if we place them in the context of the Italian photovoltaic market in 2024. In 2024, **6.8 GW** of new photovoltaic capacity were installed in Italy. This record growth has brought our country to first place in Europe in terms of investment attractiveness in renewable energy. At the same time, compared to approximately **8.3 GW** of plants authorized in 2024, only **10%** of them actually entered construction by the end of the year. This data highlights the widespread difficulty in quickly translating authorizations into operational construction sites, an obstacle that risks slowing down the pace of growth of the sector despite its enormous potential.
In this context, **Undo has distinguished itself in a positive counter-trend**, starting works, building plants and maintaining a concrete, financeable and buildable pipeline. In a sector where many operators are "asset-heavy, execution-light", our integrated and execution-oriented approach allows us to **anticipate the industrial curve of the market**.

We have demonstrated that experience and structure matter: thanks to well-established processes and an industrialized operating model, we transform authorizations into active construction sites and these into operating plants **within certain timeframes** in order to ensure adequate returns. This reliability in execution, combined with the financial and organizational solidity that we have consolidated over the years, makes us a point of reference in the sector and a trusted partner for investors and local communities.

In 2024, we also **completed our first management line**, ensuring we have the right skills to tackle the next phase of growth.

On the governance front, we have **appointed new sole directors** in sub-holdings and SPVs, adopted **Model 231** within the group, and **appointed the DPO**, thus strengthening our internal control and compliance structure.

The beginning of 2025 also confirms our desire to grow and innovate. In the first quarter, we **started work** on the construction of a new **4 MW plant in Acquapendente and a 7 MW plant in Villapiana (it should be noted that the latter is in the final stages)**, the first important milestone of this year and a sign of continuity in our expansion path. At the same time, we are developing a new corporate strategic plan that will define the next stages of our development, including an in-depth analysis of the integration of storage systems (*Battery Energy Storage Systems*, **BESS**) in our photovoltaic projects. Furthermore, we continue with operational optimization through the **rationalization of suppliers**, consolidating the most strategic partnerships and improving efficiency along the entire supply chain.

Looking ahead, we are approaching 2025 with enthusiasm and a clear vision. We will continue to expand our scope of action by targeting both the **secondary market** – through the acquisition of existing plants where we can add value – and new **greenfield developments**, bringing projects conceived from scratch to life. At the same time, we are preparing for **repowering interventions** on existing plants, to increase their production and extend their useful life, and we will invest in **storage**, integrating batteries to increase the flexibility and reliability of our renewable generation.

Sustainability and innovation will remain at the heart of all our choices: we want to grow by creating not only economic value, but also environmental and social value, convinced that long-term success depends on a positive impact on the territory and a constant search for cutting-edge solutions.

In conclusion, Undo today is much more than an energy producer: it is an **aggregator of industrial value**, a **platform** that integrates development, M&A, engineering, operations and finance.

Finally, I would like to sincerely thank all the people who have made this extraordinary 2024 of Undo possible. If we have achieved these ambitious goals it is thanks to **our people**, who put passion and commitment into their work every day; to our **partners and suppliers** , who share our vision and support us with professionalism; and to our **investors**, who believed in us and provided us with the means to grow. Your trust and collaboration represent our most precious resource.

Best regards,
Umberto Deodati
Founder & CEO

GROUP HIGHLIGHTS

Capacity **80** MWp EoC/Under Construction	+45%	73
Debt NFP **101M**	144%	136
Investments Fixed Asset **198M**	+22%	42
NOPAT PY **7.6M**	+96%	14.5

Revenues PY **14.5M**	+47%	22
EBITDA PY **9.4M**	+66%	15.6
People PY **45**	+11	56

INFORMATION ABOUT THE GROUP

Founded in 2008 with a capital of 4,800 euros by three schoolmates, the company has successfully built more than 1,000 photovoltaic systems with ever-increasing power ranging from 3 kWp to over 7,000 kWp.
Today, with more than 55 employees, Undo has evolved into an independent power producer (IPP) and currently has more than 120 plants in operation with a total capacity of approximately 80 MWp. With an average annual growth rate of 35%, UNDO is developing plants on over 7,000 hectares in Italy, aiming to double its growth rate.
What distinguishes UNDO from its competitors is its industrial footprint and the ability to manage every aspect of the value chain: this includes the acquisition, development, installation and provision of maintenance services for its own plants while many competitors directly manage only specific phases of the process.
These developments have brought Undo to the forefront of the renewable energy sector, contributing to its overall success, promoting the adoption of renewable energy and playing a pioneering role in building a greener future for Italy.

At the closing date of this financial statement, the group is made up of the following companies:

Participated Company Name	Participant Company Name	Role	Type of control with respect to the parent company	Share Capital	% direct control / % exercisable votes	% of consolidation
UNDO SRL		Holding		10,360,000,00		
UNDO ADUNANZA SRL	UNDO SRL	Sub-holding	Direct	150,000.00	100%	100%
TESTUDO SRL	UNDO SRL	Sub-holding	Direct	100,000.00	100%	100%
BOSCOW SOC. AGR. A RL	UNDO SRL	Sub-holding	Direct	12,000.00	100%	100%
SOL TERRAM SRL	UNDO SRL	Sub-holding	Direct	1,0	100%	100%
JOFFADA SRL	SOL TERRAM SRL	Controlled	Indirect	1,0	100%	100%
ARCHELETTRICA SRL	SOL TERRAM SRL	Controlled	Indirect	1,0	100%	100%
MADRE HOLDING SPA	UNDO SRL	Sub-holding	Direct	4,500,000.00	100%	100%
ECOARAMIS SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
SOLAR FUSION 1 SRL	MADRE HOLDING SPA	Controlled	Indirect	1,0	100%	100%
ECOPORTHOS SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
VVV SRL	MADRE HOLDING SPA	Controlled	Indirect	1,0	100%	100%
ECOATHOS SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
B&B ENERGY SRL	MADRE HOLDING SPA	Controlled	Indirect	30,000.00	100%	100%
VISI DUE SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
CRIANZA SRL	MADRE HOLDING SPA	Controlled	Indirect	15,000.00	100%	100%
ALBUS SRL	MADRE HOLDING SPA	Controlled	Indirect	1,0	100%	100%
SERRA WIND SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
TECNOTEAM SRL	MADRE HOLDING SPA	Controlled	Indirect	10.320.00	100%	100%
VENOSA ONE SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
BALL FLYER SRL	MADRE HOLDING SPA	Controlled	Indirect	3,0	100%	100%
REAL ESTATE DEVELOPMENT SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
MEGA IBLEA SRL	MADRE HOLDING SPA	Controlled	Indirect	3,0	100%	100%
KAROSHI SRL	MADRE HOLDING SPA	Controlled	Indirect	15,000.00	100%	100%
FASTRACK SRL	MADRE HOLDING SPA	Controlled	Indirect	12,000.00	100%	100%
CAP SPA	MADRE HOLDING SPA	Controlled	Indirect	50,000.00	100%	100%
SL 2 ENERGIE SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
FUTURA SRL	CAP SPA	Controlled	Indirect	1,001,000.00	100%	100%
SOLAR FUSION 2 SRL	CAP SPA	Controlled	Indirect	1,0	100%	100%
MARGHERITA SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
WITHE ONE SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
GARESSIO SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
MONDOLFO CAPITAL SRL	CAP SPA	Controlled	Indirect	20,000.00	100%	100%
GPG RENEWABLES SRL	CAP SPA	Controlled	Indirect	100,000.00	100%	100%

HIRONODA SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
MITRANDIR SRL	CAP SPA	Controlled	Indirect	1,0	100%	100%
SUN BERSERKER SRL	CAP SPA	Sub-holding	Indirect	3,0	100%	100%
RAM SOLAR SRL	SUN BERSERKER SRL	Controlled	Indirect	10,000.00	100%	100%
SUN PIKES SRL	SUN BERSERKER SRL	Controlled	Indirect	3,0	100%	100%
BTP COLPO 7 SRL	SUN BERSERKER SRL	Controlled	Indirect	10,000.00	100%	100%
COPIOLO SOLAR SRL	SUN BERSERKER SRL	Controlled	Indirect	10,000.00	100%	100%
EJM ENERGY SRL	SUN BERSERKER SRL	Controlled	Indirect	10,000.00	100%	100%

MISSION

Undo is actively contributing to the energy transition, promoting access to sustainable energy resources and safeguarding our planet. Since 2008, we have been operating as an independent producer of renewable energy, vertically integrating all phases of the supply chain: from site scouting to plant design, construction and management.

Our mission is based on three pillars:

1. **Environmental sustainability**: we produce clean energy through photovoltaic and wind systems, contributing to the reduction of emissions and the achievement of national and European climate objectives.
2. **Industrial innovation**: we aim to reach an installed capacity of around 1 GW within the next seven years, with investments of around 100 million euros per year, through M&A operations and revamping and repowering of existing plants.
3. **Valuing People**: We believe in a positive work environment, where every employee can develop their potential. Our flat organizational structure encourages the active contribution of all employees to the company mission.

Through these guidelines, Undo is committed to being a key player in building a sustainable, innovative and inclusive energy future.

MISSION

Empowering a sustainable future by producing solar energy to reduce our carbon footprint and promote renewable energy adoption. Our mission is fostering a greener and more resilient world for generations to come.

ACCOUNTING PRINCIPLES ADOPTED

Undo Srl is a company incorporated in Italy and registered in the Companies Register of Rome.
The registered office address is Rome, Via XX Settembre, 1.
The consolidated financial statements of the Undo Group (hereinafter also simply the "Group") include the financial statements of Undo Srl (also called the "Company" or the "Parent Company") and those of the Italian companies over which Undo has the right to exercise, directly or indirectly, control, determining their financial and management choices, as well as the right to obtain the related benefits.
The consolidated financial statements are prepared in accordance with the international accounting principles (hereinafter "IFRS") issued by the International Accounting Standards Board (IASB) and in compliance with the provisions issued in implementation of art. 9 of Legislative Decree 38/2005. IFRS means all the International Financial Reporting Standards, all the International Accounting Standards, all the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) which, at the date of approval of the financial statements, have been approved by the European Union according to the procedure set out in art. 6 of Regulation (EC) no. 1606/2002, by the European Parliament and by the Council of 19 July 2002.
The financial statements include the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows.
The 2024 consolidated financial statements are subject to voluntary audit by the auditing firm EY S.p.A..
All the values shown below and the items in the accounting statements, unless otherwise indicated, are expressed in thousands of Euros.
Please note that, during 2023, Cassian Srl and Axiom Energy Alpha S. à rl signed and executed an investment agreement that resulted in a capital increase of Undo Srl equal to 10,360,000.00 Euros plus a premium of 71,070,100.00 Euros. The capital increase was paid by Cassian through the contribution in kind of the shareholdings representing 100% of the capital of Madre Holding S.p.A., Undo Adunanza S.r.l. and Boscow Soc. Agr., while by the shareholder Axiom this increase was paid in cash.

UNDO BUSINESS MODEL

Undo has been operating as an Independent Power Producer (IPP) since 2008, focusing on the production of renewable energy through a vertically integrated business model that covers the entire supply chain:

1. **Plant Development and Acquisition**: We identify and develop greenfield projects in collaboration with landowners and local stakeholders, managing an internal pipeline of approximately 600 MW of renewable plants under development. In parallel, we pursue M&A opportunities in the secondary market, acquiring existing plants to optimize their performance and extend their useful life through revamping and repowering interventions;
2. **Construction and Operations Management**: We supervise the construction of the plants and take care of their operational management, ensuring efficiency and maximization of energy production. Currently, we manage 128 renewable plants with an operating capacity of 72.1 MW distributed throughout Italy, generating an annual production of approximately 85 GWh;
3. **Innovation and Sustainable Growth**: Our goal is to reach an installed capacity of around 1 GW within the next seven years, with cumulative investments exceeding 100 million euros per year. This growth will

be supported by a combination of new project development and strategic acquisitions, always with a focus on environmental sustainability and the adoption of cutting-edge technologies.

Through this business model, Undo positions itself as a key player in the energy transition, actively contributing to the production of clean and sustainable energy, and creating value for all stakeholders involved.

OVERVIEW OF THE TARGET MARKET

GROWTH OF THE PHOTOVOLTAIC MARKET IN ITALY

In 2024, the Italian photovoltaic sector recorded unprecedented growth. Approximately 6.8 GW of new photovoltaic capacity were installed, an increase of over 30% compared to 2023. This acceleration brought the cumulative national photovoltaic capacity to over 37 GW at the end of the year. Italy has thus consolidated itself as one of the fastest growing markets in the world and, according to industry analyses, has emerged as the first European market in terms of attractiveness for investments in renewable energy, thanks to the combination of ambitious 2030 targets, high solar irradiance and a favorable market context.

PERMITTING AND AUTHORISATIONS

In parallel with the growth in installations, 2024 saw a record volume of approved projects. New permits issued for photovoltaic plants in the year amounted to approximately 8.3 GW, the highest annual value ever. This result is largely due to an acceleration in the permitting processes, in particular through the Simplified Enabling Procedures (PAS), which have streamlined the bureaucratic process: the PAS accounted for almost half of the capacity authorised in 2024 (around 45%, a strong increase compared to the previous year. At a territorial level, Sicily and Puglia remain the driving regions for authorised photovoltaic capacity, benefiting from optimal solar resources and a high number of projects submitted and approved. However, a significant gap remains between authorisations and construction sites: it is estimated that only 10% of the projects authorised in 2024 have actually started construction by the end of the year. In fact, from 2019 to today, over 21 GW of photovoltaic plants have been authorised, but around 17 GW (80%) are still awaiting construction. This highlights the persistent difficulties in quickly transforming authorisations into operational construction sites, due to complex construction processes, connection times to the network and other enforcement obstacles.

PRICE CURVES TREND

The 2024-2025 biennium highlights a complex energy context for Italy, with electricity prices higher than the European average and a significant dependence on natural gas. Government initiatives and the expansion of renewable energy represent important steps towards greater sustainability and competitiveness of the national energy system.

Trends in electricity prices in Italy

- **Price increase in 2025** : In January 2025, the average wholesale price of electricity in Italy reached €143/MWh, marking a 44% increase compared to €99/MWh in the same month in 2024. This upward trend began in October 2024, with a monthly average of €116/MWh, rising to €130 in November and €135 in December.

- **Comparison with other European countries** : Italy continues to record higher electricity prices than other European countries. In January 2025, Italian wholesale values were 25% higher than those in Germany, 40% higher than those in France, 48% higher than those in Spain and even 226% higher than those in Scandinavia.

Main causes of price increases

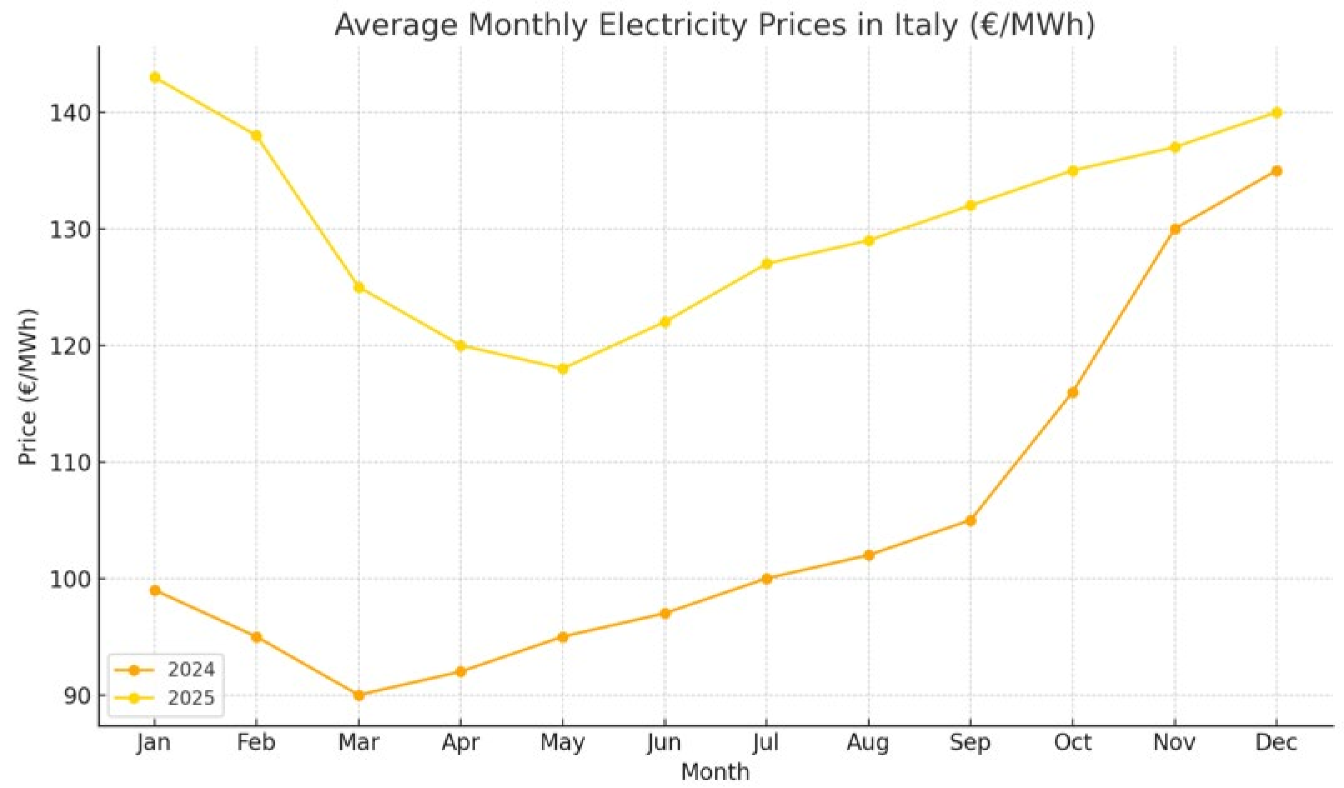
- **Dependence on natural gas** : In Italy, natural gas, although it represents about 40% of the mix in energy generation, sets the price of electricity in 90% of the hours. This high use of gas in the electricity generation mix significantly affects the final costs of energy.
- **Costs of CO_2 emissions:** The European Emissions Trading System (ETS) has seen an increase in the prices of fossil fuels, heavily impacting the price of CO_2 allowances, which in 2019 stood at €25/tonne, and has currently reached €80/tonne.

Situation in Europe

- **Differences between countries** : In 2024, the annual average of the electric MWh on the Italian stock exchange reached €108, compared to €78 in Germany, €63 in Spain and €58 in France.
- **Price trends** : Energy prices are still characterised by a fluctuating trend, with increases concentrated in the last part of the year.

Outlook for 2025

- **Rise Forecast** : Forecasts for 2025 point to an increase in the cost of electricity and natural gas, with implications for residential consumers and businesses.
- **Impact of Renewables** : A record of electricity production from photovoltaics has made a significant contribution to reducing the cost of electricity in Europe: here's what happened during the month of March 2025 and what are the advantages for users, also in Italy.



PRICES TREND AND GLOBAL OVERVIEW

Photovoltaics is experiencing a historic expansion phase, driven not only by growing climate awareness but also by a convergence of economic, technological and geopolitical factors. Solar panel prices have fallen dramatically in recent years, but behind this reduction there are complex dynamics involving raw materials. Polysilicon, an essential material for solar cells, has experienced extreme volatility: after reaching record prices between 2021 and 2022 due to demand and production bottlenecks in China, it collapsed in 2023 and early 2024 due to overproduction, especially in China, which saturated the global market. However, this dynamic has reduced module costs and pushed new photovoltaic projects, especially in emerging countries. At the same time, other materials such as silver, used in the electrical contacts of panels, also significantly affect the final cost and remain subject to market pressures linked to the technology industry and the scarcity of supply. On the energy front, photovoltaics has seen its competitiveness strengthen compared to fossil fuels, especially after the spike in energy prices in 2022, caused by the Ukrainian crisis and the sharp increase in natural gas prices. This has made the advantage of renewables in ensuring stable and low-cost supplies in the medium to long term even more evident. However, the variability of electricity prices on international markets affects the bankability of solar projects, making hedging instruments such as PPA contracts and integration with storage systems necessary. In this context, photovoltaics is not only an ecological solution but also a strategic response to the instability of global energy markets. Looking to the future, we are faced with an ambitious challenge: to decarbonize the world's electricity systems quickly, while addressing the environmental impact of panel production, the dependence on concentrated supply chains and the need to develop smart and resilient electricity grids. To achieve these goals, coordinated industrial policies, technological innovation and a long-term vision that puts photovoltaics at the center of the new global energy paradigm are needed.

REGULATORY MARKET

In response to these dynamics, the authorities have introduced important regulatory innovations to further support the energy transition. At the end of 2024, the FER-X Transitional Decree was issued, in force from 2025, which provides for a new incentive scheme for renewables. In particular, the FER-X introduces competitive auctions dedicated to utility-scale photovoltaics (plants >1 MW) to assign up to 10 GW of additional capacity by the end of 2025. The tenders must be called by 31 December 2025 and include priority criteria, for example for plants that contribute to the removal of asbestos roofing. This transitional mechanism – pending a new organic FER decree – aims to fill the gap in the short term and give further impetus to investments: it is estimated that its main effects will be seen in the two-year period 2025-2026, accelerating the entry into construction of many projects that have so far been blocked in the authorization process. At the same time, the implementation of the FER-2 Decree for innovative renewable sources continues, contributing to the outline of a more stable and favorable regulatory framework for the sector.

EVOLUTION OF THE PPA AND M&A MARKET

2024 was also characterized by an evolution in the market dynamics related to photovoltaics, both on the commercial and financial fronts. On the one hand, there was a strong growth in long-term contracts for the sale of renewable energy to companies (Corporate PPA – Power Purchase Agreement). Numerous energy-intensive companies have signed agreements to secure supplies of green energy at stable prices, driven both by the high energy costs recorded in recent years and by ESG objectives. In quantitative terms, the number of new corporate PPA contracts in Italy increased by approximately +56% in 2024 compared to the previous year, placing the country among the top in Europe for growth of this market. On the other hand, merger and acquisition (M&A) transactions in the renewable sector continued a trend of selective consolidation. In Italy, 37 M&A transactions were concluded in 2024 for a total value of approximately 5.6 billion dollars, a figure that places the country third in Europe for transaction value in the renewable sector. Most of these transactions involved the acquisition of utility-scale photovoltaic assets (parks under development or in operation, typically 50–150 MW) by larger operators, interested in strengthening their portfolio. There have also been some significant corporate transactions – for example, the entry of international investors into national platforms – a sign of long-term strategic interest. Investors are nevertheless maintaining a prudent and targeted approach, given the regulatory and authorization risks of the Italian market. In short, the Italian photovoltaic secondary market is proving to be lively, but focused on quality assets and on the creation of targeted partnerships (also with energy-intensive industrial and financial operators), with a view to the progressive maturation of the sector.

STRUCTURAL CRITICALITIES AND PROSPECTS

Despite significant progress, some structural critical issues remain that slow down the full development of photovoltaics in Italy. The transmission network still has significant bottlenecks: congestion phenomena are confirmed on the backbones that connect the Southern and Central-Southern areas of the country, due to the high concentration of renewable generation in the South compared to the transport capacity to demand centers. These infrastructural limitations sometimes make it difficult to connect new plants and can lead to operating constraints (e.g. reductions in production in the event of network saturation). At the same time, the bankability of many projects continues to be affected by various risk factors: regulatory uncertainties, possible changes in support policies, length and complexity of authorization procedures, as well as local opposition, contribute to increasing the risk perceived by investors. These elements impact the cost of capital and the availability of financing, especially for smaller operators, slowing down the actual implementation of part of the authorized pipeline.

In conclusion, 2024 was a year of strong momentum for the Italian photovoltaic sector, with record numbers in terms of both installed capacity and approved projects, and with Italy as a leading player in Europe in terms of attractiveness and market activity. The recently launched regulatory initiatives (such as FER-X and the strengthening of PPAs through public guarantees) indicate the desire to remove obstacles and foster even stronger growth in the short-medium term. It remains essential to address the structural issues related to the grid and bureaucracy to support the pace of development needed to achieve the 2030 objectives, but current trends confirm an increasingly dynamic and mature Italian context in the renewable energy landscape.

DEVELOPMENT STRATEGIES

BE ADAPTIVE

Undo's growth strategy is key to its success in the market. It is based on three key strategic pillars, which ensure a balance between projects of different sizes and types. First, the Brownfield approach focuses on portfolio expansion through the acquisition of operating plants, leveraging consolidated experience in M&A operations. This approach is supported by a "Feed-in tariff" tariff model that ensures sustainable profitability over time. On the other hand, Greenfield involves the acquisition and development of completely new projects, offering medium-term growth opportunities. Finally, the Upgrade sector (Revamping & Repowering) aims to improve the efficiency of existing plants through the adoption of cutting-edge technologies and the signing of long-term agreements with guaranteed prices. This strategy is supported by an agile and efficient organization, which invests in process standardization and digital transition to ensure sustainable growth in the long term.

GEOGRAPHICAL PRESENCE IN THE ITALIAN TERRITORY AND SIZE OF THE PLANTS

Undo is present with its plants in operation in almost all Italian regions with a particular concentration in the Center-South. The growth path of the group sees greater penetration in the territories/areas suitable for achieving its objectives related to the sustainable growth of the portfolio. The Group aims to maximize its investment choices right from the Origination phase of the initiatives, thus optimizing the management and financial approach over time. The size of the plants also foresees a gradual shift towards larger sizes, accelerating the growth path

SIGNIFICANT EVENTS THAT OCCURRED DURING THE FINANCIAL YEAR

We report below some facts of particular relevance that we believe it useful to highlight for your attention.

FUNDING

1. **Project Finance**

At the closing date of the financial year, the Undo Group, through its subsidiary CAP S.p.A. (it should be noted that CAP transformed its corporate form from Srl to S.p.A. subject to obtaining Project Finance), completed the medium-long term multi-line cash financing transaction 2024-2031 for an amount of approximately 114 million euros with a pool of banks consisting of Unicredit, BPER Banca, MCC and BMPS. The participation shares of the credit institutions are reported below:

Financiers	Brownfield Line	Revamping Line	Greenfield Line	VAT line	DSR Line	Total
BPER	30,399,793	3,827,686	1,510,291	713,578	3,013,653	39,465,001
BMP	11,554,463	1,454,840	574,037	271,218	1,145,440	14,999,998
UCI	30,399,793	3,827,686	1,510,291	713,578	3,013,653	39,465,001
MCC	15,405,951	1,939,788	765,381	361,626	1,527,254	20,000,000
Total	**87,760,000**	**11,050,000**	**4,360,000**	**2,060,000**	**8,700,000**	**113,930,000**

It should be noted that costs on these lines are equal to:

- → **Brownfield Line:** 1.95 percentage points per year + 6-month Euribor;
- → **Revamping Line:** 1.95 percentage points per year + 6-month Euribor;
- → **Greenfield Line:** 1.95 percentage points per year + 6-month Euribor;
- → **DRS line:** 1.95 percentage points per year + 6-month Euribor;
- → **VAT line:** 1.60 percentage points per year + 6-month Euribor.

It is useful to specify that at the closing of the financing (12 December 2024) Cap S.p.A. collected from the Pool of financing banks Euro 85.8 million relating to the Brownfield lines (85.5 million euros) and VAT (0.3 million euros) and that at the end of the financial year all positions relating to the previous Project Finance between the company Sun Berserker Srl and MPS Capital Services & UniCredit S.p.A. and between the company Ellade Energia Srl and Iccrea Banca Impresa were extinguished for a total amount of approximately 24 million euros.

2. Bond – 25 million Euro

Anthilia Capital Partners SGR, Tenax Capital Ltd and Gruppo BCC Iccrea with Iccrea Banca and BCC Colli Albani subscribed on 2 August 2025 bonds for a total value of 25 million euros to support the industrial plan of Madre Holding S.p.A., a direct subsidiary of Undo Srl, active in the construction and management of a portfolio of renewable energy plants.
In detail, Anthilia Capital Partners has subscribed to a bond worth 10 million euros through the Anthilia BIT IV Co-Investment Fund and Anthilia MUST funds. Tenax Capital, through the Tenax Sustainable Credit Fund, has subscribed to a bond worth 7.5 million euros; Iccrea Banca and BCC Colli Albani have both subscribed to bonds for a total value of 7.5 million euros, of which 2.5 million euros were sold to Finanziaria Internazionale Investments by virtue of the agreement dated 16 December 2024. Anthilia and Iccrea Banca had already supported the UNDO Group, with three different issues in 2019, 2020 and 2021 for a total of €9.5 million.

3. STCF BPL – 10 million Euro

In the first quarter of 2024, Undo Srl obtained a 10 million euro cash credit line from Banca Popolare del Lazio.
The above-mentioned operations are part of a context in which, during 2024, the Undo Group completed overall financing for approximately 155 million euros, aimed, within the framework of a multi-year plan, at the requalification of debt, the acquisition of new photovoltaic plants and their relative construction.

EXTRAORDINARY OPERATIONS

1. Fusions

During the 2024 financial year, the Group carried out the following mergers by total incorporation:

- with a deed dated 12.12.2024, the merger of KKSOL SRL, MA.BI SRL, OPERA GREEN SRL, CARNAIOLA FOTOVOLTAICO SRL, COGIB SRL, EXTRAENERGY 2 SRL, GFN SRL, PETROLIO FOTOVOLTAICA SRL, RINNOVABILI DELLE MARCHE SRL, SANT'ANGELO ENERGIA SRL, SARROCCIANO FTV SRL, SIRIO SRL, TRISTAR ENERGY SRL into the Company RAM SOLAR SRL was completed. The merger deed provides that for administrative, accounting and tax purposes, the effects of the merger are effective from 1 January 2024;
- with a deed dated 12.12.2024, the merger of BI.MA. SRL, CIT RET TREVISO SRL, EXTRAENERGY 3 SRL, RENEW SRL, SOLAROSS SRL and SOLPARK SERRE 1 SRL into the company FUSIONE SOLARE 2 SRL was completed. The merger deed provides that for administrative, accounting and tax purposes, the effects of the merger are effective from 1 January 2024;
- with a deed dated 12.12.2024, the merger of CIC ROOFTOP 2 SRL, FREE SUN POWER SRL, FVALFONSINE SRL, OPERA ENERGY SRL, PC-ITALIA-02 SRL and RENOSOLAR SRL into the Company COPIOLO SOLARE SRL was completed. The merger deed provides that for administrative, accounting and tax purposes, the effects of the merger are effective from 1 January 2024;
- with a deed dated 12.12.2024, the merger of DELTORO GREEN POWER SRL, ELLADE ENERGIA SRL, KIA RITE SRL, NUOVA ENERGIA SRL, PETRARO SRL, and UNICORNO SRL into the Company BTP COLPO 7 SRL was completed. The merger deed provides that for administrative, accounting and tax purposes, the effects of the merger are effective from 1 January 2024;
- with deed dated 12.12.2024 the merger of CTS POWER 2 SRL into the Company SUN PIKES SRL was completed. The merger deed provides that for administrative, accounting and tax purposes, the effects of the merger are effective from 1 January 2024.

2. Transfers of shares

During 2024, the following disposals were completed within the Undo Group:

- SUN BERSERKER Srl has sold FASTRACK SRL, KAROSHI Srl, SVILUPPO IMMOBILIARE Srl, Mondolfo Capital Srl, GPG Renewables Srl, Garessio Srl, Futura Srl, Hironoda, Mitrandir and MEGA IBLEA Srl to MADRE HOLDING S.p.A.:
- The company MADRE HOLDING S.P.A. has transferred to CAP S.p.A. its entire shareholding in:
    a) SUN BERSERKER SRL;
    b) SOLAR FUSION 2 SRL;
    c) MARGHERITA SRL.

3. Acquisitions of new companies

During 2024, the Group acquired the following companies:

- Mondolfo Capital Srl (acquired by Madre Holding and transferred to CAP);
- Futura Srl (acquired by Madre Holding and transferred to CAP);
- Margherita Srl (acquired by Madre Holding and transferred to CAP);
- Venosa Uno Srl;
- GPG Renewables Srl (acquired by Madre Holding and transferred to CAP).

EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

IRS (Interest Rate Swap) Fixed Rate/Variable Rate

During the first quarter of 2025, an agreement was signed by which the Company CAP S.p.A., in relation to the Project Finance mentioned in the paragraph "Significant events occurred during the year" and Unicredit, BPER and MPS agree to exchange, on pre-established dates and on pre-established notional amounts corresponding to those of the underlying financing, a fixed rate defined at the beginning of the transaction against a variable rate found on the market. In detail, CAP S.p.A., which is indebted at a variable rate, at each maturity and at the corresponding notional reference amount, pays the banks the pre-established fixed rate and collects the variable rate from them (which offsets the variable rate paid on the covered financing).

INTRAGROUP AND RELATED PARTY RELATIONSHIPS

With regard to transactions carried out with related parties, it is specified that these fall within the normal course of business of the Group companies and are regulated under market conditions, taking into account the characteristics of the goods and services provided. It is specified that the aforementioned transactions cannot be classified as either atypical or unusual.
For details on relationships with related parties, please refer to the relevant explanatory notes to the consolidated financial statements.

Assets and financial situation

In order to better understand the Group's financial position and assets, a reclassification of the balance sheet formats is provided below.

BALANCE SHEET

BALANCE SHEET	2024 M/€	2023 M/€	Δ %
Tangible fixed assets	142	99	44%
Intangible Assets	57	48	19%
Financial Fixed Assets	0	2	-94%
Total Fixed Assets	**199**	**149**	**34%**
Net Working Capital	- 1	7	-112%
Total Funds	- 12	- 10	25%
Net Invested Capital	**186**	**146**	**28%**
Total Debt	**- 101**	**- 62**	**63%**
Liquid assets	36	12	201%
Debts to financial institutions	- 136	- 56	144%
Debts to members	-	- 18	-100%
Net Worth	- 85	- 84	1%
Total Sources	**- 186**	**- 146**	**27%**

NET FINANCIAL POSITION

	2024 M/€	2023 M/€	Δ M/€
Net Financial Position IFRS*	**100.9**	**45**	**124%**
Cash and Cash Equivalent	35.5	11.8	201%
Financial Debts	-136.4	-56.8	140%

* *Third party versions only*

As of 12/31/2024, the total of Fixed Assets is equal to €199M, the value of net equity is €85M while the overall net financial position towards Credit Institutions is equal to €101M.

ECONOMIC SITUATION

To better understand the Group's management results, a reclassification of the income statement is provided below.

PROFIT AND LOSS ACCOUNT

INCOME STATEMENT	2024 M/€	2023 M/€	Δ %
Incentive Revenue	13.66	9.82	39%
Energy Sales Revenue	7.04	3.18	121%
Other Revenues and Income	1.20	1.79	-33%
Total Revenue	**21.89**	**14.79**	**48%**

Direct Costs	2.03	1.77	15%
General and Administrative Costs	2.67	2.51	7%
Personnel Cost	1.55	1.05	47%
Total Operating Costs	**6.25**	**5.34**	**17%**
EBITDA	**15.64**	**9.45**	**66%**
EBITDA (%)	*71*	*64%*	*12%*
Total Depreciation	8.43	4.63	82%
EBIT	**7.21**	**4.82**	**50%**
(Income)/Financial expenses	4.69	2.71	73%
(Income)/Extraordinary expenses	-1.10	1.04	-206%
PBT	**3.6**	**1.06**	**242%**
PBT (%)	*17%*	*7%*	*131%*
Taxes of the exercise	2.3	1.02	123%
Profit (Loss) for the year	**1.35**	**0.04**	**3,272%**
Profit (Loss) for the year (%)	*6.2%*	*0.3%*	*0%*

INFORMATION PURSUANT TO ART. 2428 OF THE CIVIL CODE

Below we will analyze in greater detail the information as specifically required by the provisions of art. 2428 of the Civil Code.

Main risks and uncertainties to which the Group is exposed

In this part of this report, in compliance with the provisions of art. 2428 of the civil code, the undersigned intend to account for risks, i.e. those events capable of producing negative effects in order to pursue corporate objectives and which therefore hinder the creation of value.
The risks considered are analyzed by distinguishing non-financial risks from financial risks. The risks thus classified are traced back to two macro-categories: internal source risks and external source risks, depending on whether they are inherent in the characteristics and articulation of the internal business management processes or derive from circumstances external to the business reality.

In the following chapters the main risks and uncertainties are analysed separately, first dealing with the non-financial risks.

In order to assess non-financial risks in a more structured and effective manner, the Group has undertaken a review of all security policies both within the company and towards its customers. The Group has assessed its risks, taking into consideration both the business processes and the external context in which the company operates, as well as the internal context. The identification of threats associated with the internal and external contexts is the result of a subjective assessment based on experience on the one hand and on the results found in the literature on the other. The main non-financial risks to which the company's activity is subject are analyzed below.

Risks associated with the Group's activity

To contain the sector risk, the group's growth strategy has focused on three main pillars, as previously mentioned. These include the acquisition of plants already operating on the market with high incentive rates and sale of the energy produced on the market, the development and construction of merchant plants (*i.e. dedicated exclusively to the sale of energy on the market*), and finally the activities aimed at making its plant fleet more efficient through Revamping & Repowering interventions. This approach allows the group to adapt its strategy based on the evolution of the market and the regulatory context of reference.

To contain the impact of the increase in production costs, at least annually, the company constantly implements cost control activities, carefully reviewing the prices of outsourced services and negotiating new contractual agreements to adapt compensations to current market conditions.

Compliance Risks

In relation to the risks associated with the Group's liability for unlawful acts arising from crimes pursuant to Legislative Decree 231/01, the management strategy adopted is based on prevention through a structured process consistent with existing *best practices* in the field and focuses on the adoption of high standards in terms of ethics, formalised in the Code of Ethics, and operational standards, described in an Organisation and Management Model to which all recipients are required to comply.

Risks associated with management

The Group's performance depends largely on the ability and capacity of its executive directors and other members of management to effectively manage the business. In light of the expiration of the mandate of the administrative body, we can state that this risk is under the control of the shareholders' meeting which proceeds to appoint the new administrative body.

Cyber security risks, data management and dissemination

The growing role of corporate technology infrastructures increases the Group's exposure to various types of internal and external IT risks. Among them, the greatest critical issues are cyber attacks that represent a threat to defend against. The Group has developed operational policies and technical security measures to ensure adequate protection of corporate data and information.

Financial risks

The Group is exposed to various financial risks: interest rate risk, liquidity risk and specific risk related to financial covenants.

The control over financial activity is carried out through the identification and monitoring of both qualitative and quantitative parameters in order to contain the risks associated with it.

In extreme synthesis, below we report the different types of risk identified and the monitoring methods by the companies belonging to the Group.

Interest rate risk

Interest rate risk is the risk that the *fair value* or future cash flows of a financial instrument will change due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is primarily related to long-term debt with variable interest rates.
The Group manages its interest rate risk through *interest rate swaps* (IRS), designated to hedge the underlying debt.

Liquidity risk

Liquidity risk refers to the risk that the Group will not be able to meet its payment commitments due to the difficulty of obtaining financial resources. The Group manages liquidity risk through strict control of the elements that make up operating working capital and in particular of receivables from customers and payables to suppliers.
The Group is committed to obtaining a good cash generation to then use it in the outgoings necessary for payments to suppliers without compromising the short-term balance of the treasury and avoiding critical issues and tensions in current liquidity.

Financial covenant risk

This type of risk refers to compliance with financial covenants (PFN/EBITDAR, DER and DSCR) and all the obligations set forth in existing financing agreements, with particular reference to the bonds and minibonds issued by Madre Holding and Ancora Holding S.p.A. (merged in 2023 into Madre Holding S.p.A.) and to the Project Financing signed by CAP S.p.A..
In order to mitigate this risk, management carries out continuous monitoring of such financing agreements. By way of example and not limited to, the following activities are carried out: (i) within the budget definition process, calculation and verification of the maintenance of the ratios; (ii) quarterly monitoring of the maintenance of the ratios based on the interim closings; (iii) calculation of the annual ratios and consequent communication to investors; (iv) continuous monitoring of compliance with the information requirements set out in the financing agreements and the deadlines set for the payment of the related commissions.

Credit risk

Credit risk represents the Group's exposure to potential losses arising from the failure of counterparties to fulfill their obligations.
The Group generally favors commercial relationships with GSE and customers with whom it has long-standing relationships. It is the Group's policy to subject customers who request deferred payment terms to verification procedures on the relevant credit class, both with reference to information obtainable from specialized agencies and by observing and analyzing data on the performance of non-newly acquired customers. Furthermore, the credit balance is constantly monitored during the financial year in order to ensure timely intervention and reduce the risk of losses.
However, it cannot be excluded that the emergence of significant distress situations at some customers may lead to losses on credit, with economic consequences on the Group's financial statements.

Personnel Management Information

In compliance with the provisions of art. 2428 paragraph 2 of the Civil Code, we would like to point out that the Group carries out its activities in full compliance with the current provisions on the environment and hygiene in the workplace.

The administrative body, in light of the above premises, believes it can omit the information in question as it is not, at the moment, significant and, therefore, it is not believed to be able to contribute to the understanding of the situation of the company and the results of the management. This information will be provided whenever there are concrete, tangible and significant environmental impacts, such as to generate potential consequences on the assets and income for the company (or for the group).

Taking into account the company's activity, it is considered appropriate to provide the following information relating to the environment.

Mandatory environmental information:

- there were no workplace deaths among registered personnel;
- no damage caused to the environment;
- no sanctions or definitive penalties imposed on the company for environmental damage crimes.

OUTLOOK

With regard to the future outlook on management for the year 2025, the implementation of the investment plan will continue, which will allow the Group to further expand its plant fleet, partly through the construction of new plants, partly through new acquisitions.

The financial plan for obtaining the necessary resources already started by the Group through Corporate Lending operations, newly issued Bond Loans or more generally Junior financing and Senior Loans such as Project Finance – Capex facility, will allow the identification of the resources necessary to face the challenges of the coming years.

This will lead to a significant increase in turnover and consequently in EBITDA, in line with company plans.

Rome, 28/04/2025
The CEO, Umberto Deodati

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

CONSOLIDATED BALANCE SHEET

In thousands of Euros	Notes	December 31, 2024	December 31, 2023	Δ
Goodwill	7	47.044	37.069	21%
Intangible Assets	8	9.868	10.748	-9%
Rights of use	9	4.899	4.831	1%
Real estate, plant and machinery	10	134.536	93.408	31%
Shareholdings and capital instruments	11	27	1.491	-5,349%
Other non-current financial assets	12	10	10	1%
Other non-current assets	13	2.450	2.118	14%
Non-current active derivative instruments	14	97	499	-416%
Non-Current Assets		**198.931**	**150.174**	**25%**
Remaining stock	15	373	211	43%
Trade credits	16	3.897	3.032	22%
Tax credits	17	830	434	48%
Current deferred tax assets	18	1.532	1.813	-18%
Other current financial assets	19	485	770	-59%
Other current activities	20	14.055	11.517	18%
Liquid assets	21	35.501	11.816	67%
Current Assets Total		**56.672**	**29.593**	**48%**
Total Assets		**255.603**	**179.766**	**30%**
Share capital		10.360	10.360	0%
Legal reserve		0	0	100%
Other reserves		73.322	73.516	0%
Result of the exercise		1.350	42	97%
Net Worth	22	**85.031**	**83.918**	**1%**
Employee Benefits	23	196	166	15%
Risk and charges fund	24	7.429	6.146	17%
Non-current financial debt	25	130.638	64.892	50%
Non-current deferred tax liabilities	18	6.008	2.519	58%
Other non-current liabilities	26	0	2.338	0%
Non-Current Liabilities		**144.272**	**76.061**	**47%**
Trade payables	27	11.680	6.856	41%
Tax debts	28	265	277	-5%
Current financial debts	25	8.023	9.938	-24%
Other current liabilities	29	6.333	2.717	57%
Current Liabilities		**26.300**	**19.788**	**25%**
Total Liabilities		**255.603**	**179.766**	**30%**

CONSOLIDATED INCOME STATEMENT

In thousands of Euros	Notes	December 31, 2024	December 31, 2023	Δ
Revenue from contracts and services		20.696	13.682	34%
Other revenues		2.296	1.073	53%
Total Revenue	30	**22.992**	**14.756**	**36%**
Cost of raw materials and consumables	31	267	-55	121%
Costs for services	32	3.765	3.971	-5%
Personnel costs	33	1.545	833	46%
Other operating costs	34	667	1.272	-91%
Depreciation and write-down of fixed assets	35	8.432	4.607	45%
Credit write-offs	36	7	12	-70%
Value adjustments of other assets	37	0	14	0%
Total Operating Costs		**-14.683**	**-10.655**	**27%**
Operating Result		**8.309**	**4.101**	**51%**
Financial income / (expenses)	38	-4.687	-2.851	39%
Financial result		**3.622**	**1.250**	**65%**
Taxes	39	**-2.273**	**-1.208**	**47%**
Result of the exercise		**1.350**	**42**	**97%**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In Euro units	December 31, 2024	December 31, 2023
Result of the exercise	**1.350**	**42**
Other components of comprehensive income that may be subsequently reclassified to profit or loss for the year		
Net profit/(loss) on cash flow hedges	(499)	499
Tax effect	119	(119)
Total Other comprehensive income components that may be subsequently reclassified to profit or loss for the year	**(379)**	**379**
Other components of comprehensive income that will not be subsequently reclassified to profit or loss for the period		
Actuarial gains (losses) of defined benefit plans	(2)	(10)
Tax effect	0.5	2
Total other comprehensive income components that will not be subsequently reclassified to profit or loss after tax	**(2)**	**(7)**
Profits and (losses) recognised in equity	**(381)**	**371**
Total comprehensive income for the financial year	**969**	**414**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of Euros	Share Capital	Legal reserve	Other reserves		Result of the exercise	Net Worth
January 1, 2023	**-**	**-**	**-**		**-**	**-**
Constitution	10.360	-	73.144		-	**83.504**
IFRS Comprehensive Income/(Loss)	-	-	372		42	**414**
As of December 31, 2023	**10.360**	**-**	**73.516**		**42**	**83.918**
Previous result destination			42		- 42	**-**
Extraordinary operations			-			**-**
Total profit/(loss)			- 236		1.349	**1.113**
As of December 31, 2024	**10.360**	**-**	**73.322**		**1.349**	**85.031**

CONSOLIDATED CASH FLOW

In thousands of Euros	CASH FLOW December 31, 2024	CASH FLOW December 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the financial year	1.350	42
Funds set aside	1.291	6.119
Provisions for employee benefits	(51)	124
Depreciation	8.432	4.607
Change in fair value of derivative financial instruments	-	-
Decrease / (increase) of inventories	(161)	(211)
Decrease / (increase) in trade receivables	(873)	(3.020)
Increase / (Decrease) in trade payables	4.824	6.856
Other variations of the CCN	(2.514)	(9.285)
Dividends received	-	-
(Use of Funds)	(39)	(9)
(Use of Employee Benefit Liabilities)	120	51
CASH FLOW FROM OPERATING ACTIVITIES (A)	**12.378**	**5.274**
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		
(Investments)/Disposals of intangible assets and goodwill	(9.896)	(47.817)
(Investments)/Disposals of tangible fixed assets	(31.503)	(97.158)
(Investments)/Disposals in usage rights	(1.924)	(5.688)
(Investments)/Disinvestments in financial assets	1.464	(1.501)
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(41.859)**	**(152.164)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Bank financing	92.662	41,630
Leasing	(1.982)	6.504
Bond Loan	24.386	7.563
Loan Refund	(61.901)	19.133
Increase (Decrease) in financial liabilities		-
Own means		
Other changes in net equity		83.876
CASH FLOW FROM FINANCING ACTIVITIES C)	**53.166**	**158.706**
TOTAL CASH FLOW (D=A+B+C)	**23.685**	**11.816**
CASH AND CASH EQUIVALENTS at the beginning of the financial year (E)	**11.816**	**-**
CASH AND CASH EQUIVALENTS at the end of the financial year (F=D+E)	**35.501**	**11.816**

Explanatory Notes to the Consolidated Financial Statements as of December 31, 2024

NOTE NO. 1 - COMPANY INFORMATION

The publication of the consolidated financial statements of UNDO Srl and its subsidiaries (together the Group) for the year ended 31 December 2024 was authorised by the Board of Directors on 28/04/2025 . UNDO Srl is a limited liability company, registered and domiciled in Italy. Its registered office is located at Via XX Settembre 1, 00187 Rome.

The activities of the Company and its subsidiaries are described in Note 2.2, which also contains information on the Group's structure. Information on the Group's relationships with other related parties is presented in Note 38.

NOTE NO.2 - MAIN ACCOUNTING PRINCIPLES

2.1 Drafting principles

The Group's Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the related interpretations (SIC/IFRIC) and approved by the European Union in force at the balance sheet date, as well as the provisions issued in implementation of art. 9 of Legislative Decree 38/2005.

The explanatory notes to the financial statements have been integrated with the additional information required by the Civil Code. IFRS also includes the International Accounting Standards ("IAS") currently in force, as well as all the interpretative documents issued by the IFRS Interpretation Committee, previously called the International Financial Reporting Interpretation Committee ("IFRIC") and even before that the Standing Interpretations Committee ("SIC") and approved by the European Commission, in force at the balance sheet date.

The schemes adopted by the company are composed as follows:

- **Consolidated Balance Sheet** - the presentation of the consolidated balance sheet is done through the separate presentation of current and non-current assets and current and non-current liabilities, distinguishing for each asset and liability item the amounts that are expected to be settled or recovered within or after 12 months from the reference date of the accounting situation;
- **Consolidated income statement** - reports items by nature, as it is considered the one that provides the most explanatory information;
- **Consolidated statement of comprehensive income** - includes items recognised directly in equity when IFRS permits;
- **Consolidated statement of changes in equity** - the statement of changes in equity shows the overall result for the financial year and the effect, for each item of equity, of changes in accounting policies and corrections of errors as required by International Accounting Standard No. 8. In addition, the schedule presents the balance of accumulated profits or losses at the beginning of the financial year, the movements during the financial year and at the end of the financial year;
- **Consolidated cash flow statement** - the cash flow statement presents the cash flows from operating, investing and financing activities. The cash flows from operating activities are represented by the indirect method, whereby the operating or period result is adjusted for the effects of non-cash transactions, any deferrals or accruals of previous or future operating receipts or payments, and items of revenue or expense associated with the cash flows from investing or financing activities.

The Consolidated Financial Statements are presented in Euros and all values are rounded to the nearest thousand Euros, unless otherwise indicated.

The consolidated financial statements have been prepared on the assumption of the company's operation and continuity, in accordance with the general criterion of reliable and truthful presentation of the financial, economic and cash flow situation of the Group, as the Directors, in light of the Group's growth and development forecasts, of their validity and feasibility, have verified the sustainability of the debt and, more generally, the Group's ability to meet its obligations in the foreseeable future and, in particular, in the next 12 months.

2.2 Consolidation area

The Consolidated Financial Statement of Undo Srl includes the financial statements of the Parent Company and those of the controlled companies.

Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and expenses of the subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.
The following table summarises, with regard to the controlled companies, all fully consolidated, the information as of 31 December 2024 relating to their name, registered office and share of share capital held directly and indirectly by the Group:

Participated Company Name	Participant Company Name	Role	Type of control with respect to the parent company	Share Capital	% direct control / % exercisable votes	% of consolidation
UNDO SRL		Holding		10,36,.000.00		
UNDO ADUNANZA SRL	UNDO SRL	Sub-holding	Direct	150,000.00	100%	100%
TESTUDO SRL	UNDO SRL	Sub-holding	Direct	100,000.00	100%	100%
BOSCOW SOC. AGR. A RL	UNDO SRL	Sub-holding	Direct	12,000.00	100%	100%
SOL TERRAM SRL	UNDO SRL	Sub-holding	Direct	1,0	100%	100%
JOFFADA SRL	SOL TERRAM SRL	Controlled	Indirect	1,0	100%	100%
ARCHELETTRICA SRL	SOL TERRAM SRL	Controlled	Indirect	1,0	100%	100%
MADRE HOLDING SPA	UNDO SRL	Sub-holding	Direct	4,500,000.00	100%	100%
ECOARAMIS SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
SOLAR FUSION 1 SRL	MADRE HOLDING SPA	Controlled	Indirect	1,0	100%	100%
ECOPORTHOS SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
VVV SRL	MADRE HOLDING SPA	Controlled	Indirect	1,0	100%	100%
ECOATHOS SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
B&B ENERGY SRL	MADRE HOLDING SPA	Controlled	Indirect	30,000.00	100%	100%
VISI DUE SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
CRIANZA SRL	MADRE HOLDING SPA	Controlled	Indirect	15,000.00	100%	100%
ALBUS SRL	MADRE HOLDING SPA	Controlled	Indirect	1,0	100%	100%
SERRA WIND SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
TECNOTEAM SRL	MADRE HOLDING SPA	Controlled	Indirect	10,320.00	100%	100%
VENOSA ONE SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%

BALL FLYER SRL	MADRE HOLDING SPA	Controlled	Indirect	3,0	100%	100%
REAL ESTATE DEVELOPMENT SRL	MADRE HOLDING SPA	Controlled	Indirect	10,000.00	100%	100%
MEGA IBLEA SRL	MADRE HOLDING SPA	Controlled	Indirect	3,0	100%	100%
KAROSHI SRL	MADRE HOLDING SPA	Controlled	Indirect	15,000.00	100%	100%
FASTRACK SRL	MADRE HOLDING SPA	Controlled	Indirect	12,000.00	100%	100%
CAP SPA	MADRE HOLDING SPA	Controlled	Indirect	50,000.00	100%	100%
SL 2 ENERGIE SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
FUTURA SRL	CAP SPA	Controlled	Indirect	1,001,000.00	100%	100%
SOLAR FUSION 2 SRL	CAP SPA	Controlled	Indirect	1,0	100%	100%
MARGHERITA SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
WITHE ONE SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
GARESSIO SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
MONDOLFO CAPITAL SRL	CAP SPA	Controlled	Indirect	20,000.00	100%	100%
GPG RENEWABLES SRL	CAP SPA	Controlled	Indirect	100,000.00	100%	100%
HIRONODA SRL	CAP SPA	Controlled	Indirect	10,000.00	100%	100%
MITRANDIR SRL	CAP SPA	Controlled	Indirect	1.0	100%	100%
SUN BERSERKER SRL	CAP SPA	Sub-holding	Indirect	3,0	100%	100%
RAM SOLAR SRL	SUN BERSERKER SRL	Controlled	Indirect	10,000.00	100%	100%
SUN PIKES SRL	SUN BERSERKER SRL	Controlled	Indirect	3,0	100%	100%
BTP COLPO 7 SRL	SUN BERSERKER SRL	Controlled	Indirect	10,000.00	100%	100%
COPIOLO SOLAR SRL	SUN BERSERKER SRL	Controlled	Indirect	10,000.00	100%	100%
EJM ENERGY SRL	SUN BERSERKER SRL	Controlled	Indirect	10,000.00	100%	100%

The areas of operation of the Group companies can be briefly described as follows:

1. Undo Adunanza Srl is the pioneer company of the Group. In its initial phase, it was an engineering company in the field of energy efficiency. Thanks to the know-how gained over the years, it has become a company specialized in the development and construction of photovoltaic and wind power plants, in M&A activities (acquisition in the secondary market), in Revamping & Repowering activities of the existing portfolio and in the asset management of existing plants, covering the entire value chain also through a selected network of partners.;

2. Madre Holding S.p.A. together with CAP S.p.A. represent the sub-holdings that manage the special purpose vehicles holding the assets (photovoltaic and wind power plants) of the Group. They are supported from the other sub-holdings of the group, such as Undo Adunanza for technical issues, Undo for administrative, fiscal, legal and financial aspects, and Testudo for real estate operations and general services. They have subscribed to the majority of M&A transactions by acquiring assets and corporate vehicles in the secondary market. Cap S.p.A. and Madre Holding have also subscribed over the years and during 2024 financing from credit institutions to support growth in the form of Bond Loans and Project Financing typical of the sector.

3. Testudo Srl is the group's real estate operating company. It owns the group's headquarters and is mainly involved in the acquisition and management of contracts relating to the surface rights of land on which the group's facilities are built. It also provides a wide range of general and facility management services.

4. Boscow Soc. agr. Srl Currently inactive, this company was created with the aim of developing the agro-photovoltaic project (*projects that integrate solar energy production with agriculture on the same land, allowing a multifunctional use of the land*).

The financial statements as of December 31, 2024 approved by the corporate bodies of the entities included in the consolidation area were used for consolidation. Consolidation was based on contractual agreements between the parties, under which the Group is granted significant influence over the counterparty's business decisions. In fact, under these agreements, the Group had the power to directly influence the selling party's operating decisions regarding extraordinary maintenance, revamping and repowering interventions and contractual terminations of O&M services, which were subject to prior authorization by the Group's Asset Manager.

The financial statements included in the consolidation process are drawn up by adopting for each entity the same accounting principles as the Parent Company and by making any consolidation adjustments made in order to make the items that are influenced by the application of different accounting principles homogeneous.

2.3 Consolidation principles

The Consolidated Financial Statements include the financial statements of Undo Srl and its direct and indirect subsidiaries as of December 31, 2024. Control is obtained when the Group is exposed or has rights to variable returns, deriving from its relationship with the investee and, at the same time, has the ability to affect such returns by exercising its power over that entity. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. holds valid rights that give it the current ability to direct the relevant activities of the investee);
- exposure or rights to variable returns arising from the relationship with the investee;
- the ability to use one's power over the investee to affect the amount of its returns.

Generally, there is a presumption that a majority of voting rights constitutes control. In support of this presumption and when the Group holds less than a majority of voting rights (or similar rights), the Group considers all relevant facts and circumstances to determine whether it controls the investee, including:

→ Contractual agreements with other voting rights holders;
→ Rights arising from contractual agreements;
→ Voting rights and potential voting rights of the Group.

The Group reconsiders whether or not it has control of an investee if facts and circumstances indicate that there have been changes in one or more of the three elements relevant to the definition of control. Consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses control. The assets, liabilities, revenues and expenses of the subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group no longer exercises control over the company.
Profit (loss) for the period and each of the other components of comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even if this means that the non-controlling

interests have a negative balance. When necessary, appropriate adjustments are made to the financial statements of subsidiaries, in order to ensure conformity with the accounting policies of the group. All intragroup assets and liabilities, equity, revenues, expenses and cash flows relating to transactions between group entities are eliminated completely on consolidation.
Changes in ownership interests in a subsidiary that do not result in a loss of control are accounted for in equity.
If the Group loses control of a subsidiary, it must eliminate the related assets (including goodwill), liabilities, minority interests and other components of equity, while any gain or loss is recognized in the income statement. Any shareholding retained must be recognized at *fair value* .

NOTE NO. 3 - Summary of the main accounting principles

The Consolidated Financial Statements have been prepared in accordance with the general criterion of reliable and truthful presentation of the general principles of business continuity, economic competence, consistency of presentation, relevance and aggregation, prohibition of compensation and comparability of information.

3.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred, measured at *fair value* at the acquisition date, and the amount of the non-controlling interest in the acquiree. For each business combination, the Group decides whether to measure the non-controlling interest in the acquiree at *fair value* or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed in the period and classified as administrative expenses.

The Group determines that it has acquired a business when the integrated set of activities and assets includes at least one factor of production and a substantial process that together contribute significantly to the ability to generate output. The acquired process is considered substantial if it is critical to the ability to continue to generate output and the acquired factors of production include an organized workforce that has the necessary skills, knowledge or experience to perform that process or contributes significantly to the ability to continue to generate output and is considered unique or scarce or cannot be replaced without significant cost, effort or delay to the ability to continue to generate output.
When the Group acquires a *business* , it classifies or designates the financial assets acquired or liabilities assumed in accordance with the contractual terms, economic conditions and other relevant conditions in effect at the acquisition date. This includes assessing whether an embedded derivative should be separated from the host contract.
Any contingent consideration to be recognized is recognized by the acquirer at *fair value* at the acquisition date. Contingent consideration classified as equity is not subject to remeasurement and its subsequent payment is accounted for with a contra-entry in equity. The change in *fair value* of contingent consideration classified as an asset or liability, as a financial instrument that is within the scope of IFRS 9 *Financial Instruments* , must be recognized in the income statement in accordance with IFRS 9. Contingent consideration that is not within the scope of IFRS 9 is measured at *fair value* at the balance sheet date and changes in *fair value* are recognized in the income statement.
Goodwill is initially recognized at cost, which is the excess of the total consideration paid and the amount recognized for non-controlling interests over the identifiable net assets acquired and liabilities assumed by the Group. If the *fair value* of the net assets acquired exceeds the total consideration paid, the Group reassesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to determine the amounts to be recognized at the acquisition date. If the

reassessment still shows a *fair value* of the net assets acquired that exceeds the consideration, the difference (gain) is recognized in the income statement.
After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing*,* goodwill acquired in a business combination is allocated, from the acquisition date, to each cash-generating unit of the Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are allocated to those units.
If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset is included in the carrying amount of the asset when determining the gain or loss on disposal. The goodwill associated with the disposed asset is determined on the basis of the relative values of the disposed asset and the retained part of the cash-generating unit.

3.2 Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets, at *fair value* at each balance sheet date.
Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. A *fair value measurement* assumes that the transaction to sell the asset or transfer the liability takes place:

- in the *principal market* for the asset or liability; or
- in the absence of a principal market, in the *most advantageous market* for the asset or liability.

The main market or the most advantageous market must be accessible to the Group.
The *fair value* of an asset or liability is measured by adopting the assumptions that market participants would use in determining the price of the asset or liability, assuming that they act in the best way in their economic interest.
Fair value measurement of a non-financial asset considers the ability of a market participant to generate economic benefits by using the asset to its *highest and best* use or by selling it to another market participant who would use it to its highest and best use.
The Group uses valuation techniques that are appropriate to the circumstances and for which there are sufficient data available to measure *fair value* , maximising the use of relevant observable inputs and minimising the use of unobservable *inputs* .
All assets and liabilities for which *fair value* is measured or reported in the balance sheet are categorised according to the *fair value hierarchy* , as described below:

1. **Level 1** – quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
2. **Level 2** – Inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability;
3. **Level 3** – valuation techniques for which the input data are unobservable for the asset or liability.

The *fair value measurement* is classified entirely within the same level of the *fair value hierarchy* as the lowest level input used for the measurement.
For assets and liabilities recognised in the balance sheet at *fair value* on a recurring basis, the Group determines whether transfers have occurred between levels of the hierarchy by reviewing the categorisation (based on the lowest level input that is significant for the purposes of measuring *fair value* in its entirety) at each balance sheet date.
The Group Finance Department determines the criteria and procedures for both recurring and non-recurring *fair value assessments*.

At each balance sheet closing, the Group's Financial Management analyses the changes in the values of assets and liabilities for which, under the Group's accounting principles, revaluation or restatement is required.
For the purposes of *fair value disclosure* , the Group determines the classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the *fair value hierarchy* .

3.3 Intangible assets

Separately acquired intangible assets are initially recognized at cost, while those acquired through business combinations are recognized at *fair value* at the acquisition date. After initial recognition, intangible assets are recognized at cost less accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, except for development costs, are not capitalized and are recognized in the income statement in the period in which they are incurred.
The useful life of intangible assets is assessed as either finite or indefinite.
Intangible assets with a finite useful life are amortized over their useful life and are tested for impairment whenever there is an indication of possible impairment. The amortization period and amortization method of an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or in the manner in which future economic benefits associated with the asset will be realized are recognized through changes in the amortization period or method, as appropriate, and are considered changes in accounting estimates. Amortization charges for intangible assets with a finite useful life are recognized in profit or loss in the cost category consistent with the function of the intangible asset.
Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, both at the individual level and at the level of the cash-generating unit. The assessment of indefinite useful life is reviewed annually to determine whether this attribution continues to be sustainable; otherwise, the change from indefinite useful life to finite useful life is applied on a prospective basis.
An intangible asset is derecognized upon disposal (i.e., the date the acquirer obtains control of it) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.
The following summarises the principles applied by the Group for intangible assets:

	Surface rights	Licenses	Software	Other intangible assets
Useful life	25	5	5	5

Intangible assets are all acquired, and amortization is on a straight-line basis.

3.4 Leasing – the Group as lessee

The Group assesses at the time of signing a contract whether it is, or contains, a lease. In other words, whether the contract confers the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group adopts a single recognition and measurement model for all leases, except for short-term leases and low-value asset leases. The Group recognizes the liabilities relating to the lease payments and the right-of-use asset that represents the right to use the asset underlying the contract.

Right of use activities

The Group recognizes right-of-use assets at the lease inception date (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurements of lease liabilities. The cost of right-of-use assets comprises

the amount of lease liabilities recognized, initial direct costs incurred and lease payments made on or before the inception date less any incentives received. Right-of-use assets are amortized on a straight-line basis from the inception date to the end of the useful life of the right-of-use asset or the end of the lease term, if earlier.
If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects the fact that the lessee will exercise the option to purchase, the lessee shall depreciate the right-of-use asset from the commencement date until the end of the useful life of the underlying asset.
Right-of-use assets are subject to impairment.

Liabilities related to leasing

At the lease commencement date, the Group recognises lease liabilities by measuring them at the present value of lease payments that have not been paid at that date. Lease payments include fixed payments (including payments fixed in substance) less any lease incentives to be received, variable lease payments that are dependent on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option if it is reasonably certain that the option will be exercised by the Group and lease termination penalty payments if the lease term takes into account the exercise by the Group of the option to terminate the lease. Variable lease payments that are not dependent on an index or rate are recognised as expenses in the period in which the event or condition that gave rise to the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the commencement date if the implicit interest rate is not readily determinable. After the effective date, the amount of the lease liability increases to take into account the interest on the lease liability and decreases to take into account the payments made. In addition, the carrying amount of lease liabilities is recalculated in the event of any modifications to the lease or for the revision of the contractual terms to modify the payments; it is also recalculated in the event of changes in the valuation of the option to purchase the underlying asset or for changes in future payments that arise from a change in the index or rate used to determine such payments.

3.5 Leasing - The Group as lessor

Leases that substantially leave all the risks and rewards of ownership of the asset with the Group are classified as operating leases. Lease income from operating leases must be recognised on a straight-line basis over the lease term, and is included in revenue in the income statement given their operating nature. Initial negotiation costs are added to the carrying amount of the leased asset and recognised over the term of the contract on the same basis as rental income. Unbudgeted rents are recognised as revenue in the period in which they accrue.

3.6 Property, plant and machinery

Property, plant and equipment are recognised at historical cost, net of accumulated depreciation and accumulated impairment losses. This cost includes the costs of replacing part of the machinery and plant when they are incurred, if they comply with the recognition criteria. Similarly, in the event of major overhauls, the cost is included in the carrying amount of the plant or equipment as in the case of replacement, where the recognition criterion is satisfied. All other repair and maintenance costs are recognised in the income statement when incurred.
Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

1. **Real estate:** 25 years;
2. **Plant and machinery:** 30 years
3. **Equipment and molds:** 6 years

4. **Motor vehicles and internal transport means:** 5 years
5. **Office machinery and furniture:** 5 years
6. **Electronic machines:** 5 years
7. **Cell phones:** 5 years

The Group reviews the estimated residual values and expected useful lives of tangible assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in assessing the expected useful lives and estimated residual values. In addition, the Group considers climate-related issues, including physical and transition risks. The carrying amount of an item of property, plant and equipment and any significant components initially recognised are derecognised upon disposal (i.e., the date on which the acquirer obtains control of the item) or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognisation of the asset (calculated as the difference between the net carrying amount of the asset and the consideration received) is recognised in profit or loss when the item is derecognised. The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each reporting date and, where appropriate, adjusted prospectively.

3.7 Loss of value of non-financial assets (“Impairment”)

At each balance sheet date, the Group assesses whether there are any indicators of impairment of the assets. In this case, or in cases where an annual impairment test is required, the Group estimates the recoverable amount. The recoverable amount is the higher of the *fair value* of the asset or cash-generating unit, net of costs to sell, and its value in use. The recoverable amount is determined for each individual asset, except when that asset generates cash flows that are not largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset is higher than its recoverable amount, that asset has suffered an impairment loss and is consequently written down to its recoverable amount. In determining the value in use, the Group discounts the estimated future cash flows to their present value using a pre-tax discount rate, which reflects market assessments of the current value of money and the risks specific to the asset. In determining the *fair value* net of costs to sell, recent market transactions are taken into account. If it is not possible to identify such transactions, an appropriate valuation model is used. The Group bases its impairment test on more recent budgets and forecast calculations, prepared separately for each Group cash-generating unit to which individual assets are allocated. For assets other than goodwill, at each balance sheet date, the Group assesses whether there are any indicators of the elimination (or reduction) of previously recognised impairment losses and, if such indicators exist, estimates the recoverable amount of the asset or CGU. The value of a previously impaired asset may be restored only if there have been changes in the assumptions on which the calculation of the recoverable amount was based, subsequent to the recognition of the last impairment loss. The reversal of the impairment may not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised in previous periods. Such recovery is recognised in the statement of profit or loss unless the asset is carried at revalued amount, in which case the recovery is treated as a revaluation increase. Goodwill is tested for impairment at least annually (at 31 December) or more frequently when circumstances indicate that the carrying amount may be impaired.

The impairment of goodwill is determined by measuring the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill is attributable. Where the recoverable amount of the cash-generating unit is less than the carrying amount of the cash-generating unit to which the goodwill has been allocated, an impairment loss is recognised. The reduction in the value of goodwill cannot be reversed in future periods. Intangible assets with an indefinite useful life or an intangible asset that is not yet available for use are tested for impairment at least annually with reference to 31 December, at the cash-generating unit level and when circumstances indicate that there may be an impairment loss.

The Group assesses whether climate risks, including physical and transition risks, could have a significant impact. If this is the case, these risks are taken into account in the estimation of future cash flows in the estimate of value in use.

3.8 Inventories

Inventories are valued at the lower of cost and estimated net realisable value.

The costs incurred to bring each asset to its current location and condition are recorded at the specific purchase cost.

The cost of inventories includes the transfer from other comprehensive income of profits and losses arising from qualified cash flow hedges relating to the purchase of raw materials.

Estimated net realisable value is the estimated normal selling price in the ordinary course of business less estimated costs of completion and estimated costs to make the sale.

3.9 Trade credits

A receivable is recorded if the consideration is unconditionally due from the customer (that is, it is only necessary for time to elapse for the consideration to be paid). See the principles paragraph in the section Financial instruments – initial recognition and subsequent measurement.

3.10 Cash and short-term deposits

Cash and short-term deposits include cash on hand and demand and short-term deposits, highly liquid deposits with a maturity of three months or less, which are held with the objective of meeting short-term cash needs and which are readily convertible into a given amount of cash and subject to an insignificant risk of changes in value.

For the purposes of presentation in the consolidated financial statement, cash and cash equivalents are represented by cash and cash equivalents as defined above, net of bank overdrafts as these are considered an integral part of the Group's liquidity management.

3.11 Financial activities

Initial survey and evaluation

Upon initial recognition, financial assets are classified, as appropriate, according to the subsequent measurement methods, i.e. amortised cost, *fair value* recognised in the statement of comprehensive income (OCI) and *fair value* recognised in the income statement.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model that the Group uses to manage them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its *fair value* plus, in the case of a financial asset not at *fair value* through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as described in the paragraph “Revenue from contracts with customers” .
In order for a financial asset to be classified and measured at amortised cost or at *fair value* through OCI, it must generate cash flows that depend solely on principal and interest on the principal amount outstanding

(so-called 'solely payments of principal and interest (SPPI)'). This assessment is referred to as the SPPI test and is performed at instrument level. Financial assets whose cash flows do not meet the above requirements (eg SPPI) are classified and measured at *fair value* through profit or loss.
The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether the cash flows will arise from collecting contractual cash flows, selling financial assets, or both.
Financial assets classified and measured at amortized cost are held under a business model whose objective is to hold financial assets for the purpose of collecting contractual cash flows, while financial assets that are classified and measured at fair value through OCI are held under a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of financial assets.
The purchase or sale of a financial asset that requires delivery within a time frame generally established by regulation or market conventions (so-called standardised sale or *regular way trade*) is recognised on the trade date, i.e. the date on which the Group has committed to purchase or sell the asset.

Next evaluation

For the purposes of subsequent valuation, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at *fair value* through other comprehensive income with reclassification of cumulative gains and losses (debt instruments);
- Financial assets at *fair value* through other comprehensive income without reversal of accumulated gains and losses at the time of elimination (equity instruments);
- Financial assets at *fair value* through profit or loss.

1. Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to *impairment*. Gains and losses are recognized in the income statement when the asset is eliminated, modified or revalued.
The Group's financial assets at amortized cost include trade receivables, a loan to an associate, and a loan to a director included in other non-current financial assets.

2. Financial assets at fair value through OCI (debt instruments)

For debt instrument assets measured at fair value through OCI, interest income, exchange rate differences and impairment losses, together with write-backs, are recognized in the income statement and are calculated in the same way as financial assets measured at amortized cost. Remaining changes in fair value are recognized in OCI. Upon elimination, the cumulative change in fair value recognized in OCI is reclassified to the income statement.
The Group's debt instruments assets measured at fair value through OCI include investments in listed debt instruments included in other non-current financial assets.

3. Investments in equity instruments

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments at fair value through OCI when they meet the definition of equity instruments under IAS 32 “Financial Instruments: Presentation” and are not held for trading. The classification is determined on an instrument-by-instrument basis.
Gains and losses on these financial assets are never reversed to profit or loss. Dividends are recognized as other income in the income statement when the right to payment has been established, except when the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case such

gains are recognized in OCI. Equity instruments carried at fair value through OCI are not subject to impairment testing.

4. Financial assets at fair value through profit or loss

Financial instruments at fair value with changes recognised in the income statement are recorded in the statement of financial position at fair value and net changes in fair value are recognised in the statement of profit or loss.

Cancellation

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised first (e.g. removed from the Group's statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred substantially all the risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of it.

In cases where the Group has transferred the rights to receive cash flows from an asset or has entered into an agreement under which it retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more beneficiaries (pass-through), it assesses whether and to what extent it has retained the risks and rewards of ownership. If it has neither transferred nor retained substantially all the risks and rewards or has not lost control over the asset, the asset continues to be recognised in the Group's financial statements to the extent of its continuing involvement in the asset. In this case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured to reflect the rights and obligations that remain with the Group.

When the entity's continuing involvement is a guarantee on the transferred asset, involvement is measured on the basis of the lower of the amount of the asset and the maximum amount of consideration received that the entity could be required to repay.

Loss of value

The Group records an expected credit loss (ECL) for all financial assets represented by debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due under the contract and all cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows will include cash flows arising from the enforcement of collateral held or other credit guarantees that are an integral part of the contractual terms.

Expected losses are recognised in two stages. For credit exposures for which there has been no significant increase in credit risk since initial recognition, credit losses arising from the estimation of default events that are possible within the next 12 months (12-month ECL) must be recognised. For credit exposures for which there has been a significant increase in credit risk since initial recognition, expected losses that relate to the residual maturity of the exposure must be recognised in full, regardless of when the default event is expected to occur (''Lifetime ECL'').

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected losses. Therefore, the Group does not monitor changes in credit risk, but fully records the expected loss at each reference date. The Group has defined a matrix system based on historical information, revised to consider prospective elements with reference to the specific types of debtors and their economic environment, as a tool for determining expected losses.

Financial liabilities

Initial detection and assessment

Financial liabilities are classified, upon initial recognition, among financial liabilities at *fair value* through profit or loss, among loans and borrowings, or among derivatives designated as hedging instruments.
All financial liabilities are initially recognised at *fair value* plus, in the case of mortgages, loans and debts, any transaction costs directly attributable to them.
The Group's financial liabilities include mortgages and loans, including overdrafts and derivative financial instruments.

Next evaluation

For the purposes of subsequent valuation, financial liabilities are classified into two categories:

- Financial liabilities at *fair value* through profit or loss
- Financial liabilities at amortized cost (loans and financing)

1. Financial liabilities at fair value through profit or loss

Financial liabilities at *fair value* through profit or loss include liabilities held for trading and financial liabilities initially recognized at *fair value* through profit or loss.
Liabilities held for trading are all those assumed with the intention of extinguishing or transferring them in the short term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in a hedging relationship defined by IFRS 9.
Gains or losses on liabilities held for trading are recognised in profit or loss. Financial liabilities are designated at *fair value* through profit or loss from the date of initial recognition only if the criteria of IFRS 9 are met. At initial recognition, the Group has not designated any financial liabilities at *fair value* through profit or loss.

2. Financial liabilities at amortized cost (loans and financing)

This is the most significant category for the Group. After initial recognition, loans are measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liability is extinguished, as well as through the amortization process.
Amortized cost is calculated by recognizing the discount or premium on the acquisition and the fees or costs that are an integral part of the effective interest rate. Amortization at the effective interest rate is included in finance costs in the statement of profit or loss.
This category generally includes interest-bearing loans and credits.

Cancellation

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or discharged. Where an existing financial liability is replaced by another from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as an accounting derecognition of the original liability, accompanied by the recognition of a new liability, with any differences in the carrying amounts recognised in profit or loss.

3.12 Derivative financial instruments and hedge accounting

Initial detection and subsequent evaluation

The Group uses derivative financial instruments including interest rate swaps to hedge its interest rate risks. In line with its strategy, the Group does not enter into derivative transactions for speculative purposes. These derivative financial instruments are initially recognized at fair value on the date the derivative contract is

entered into and are subsequently remeasured at fair value. Derivatives are accounted for as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
When initiating a hedging transaction, the Group formally designates and documents the hedging relationship to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.
The documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including an analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it meets all of the following hedge effectiveness requirements:

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

Cash flow coverage

The portion of the gain or loss on the hedged instrument relating to the effective hedge portion is recognised in the statement of other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognised directly in the statement of profit or (loss) for the year. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

3.13 Risk and charge funds

Provisions for risks and charges are made when the Group has a present obligation (legal or constructive) resulting from a past event, an outflow of resources to meet that obligation is probable and a reliable estimate of its amount can be made. When the Group believes that a provision for risks and charges will be partly or fully repaid, for example in the case of risks covered by insurance policies, the compensation is recognised separately in assets if, and only if, it is virtually certain. In this case, the cost of any provision is presented in the statement of profit or loss net of the amount recognised for the compensation.
If the effect of the time value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. When the liability is discounted, the increase in the provision due to the passage of time is recognised as a finance charge.

Provision for dismantling costs

Decommissioning costs are allocated based on the value of the expected costs to settle the obligation, using estimated cash flows that reflect the specific risks associated with the decommissioning liability and result in a corresponding increase in the cost of the asset item to which they relate. The estimate of future decommissioning and remediation costs is reviewed annually. The impact of climate-related issues, such as changes in environmental and other relevant regulations, are considered by the Group in estimating the production plant restoration fund. Changes in the estimates of future costs are increased or decreased in the cost of the asset.

3.14 Employee benefit liabilities

Post-employment benefits are defined on the basis of programs, even if not formalized, which, depending on their characteristics, are divided into "defined benefit" programs and "defined contribution" programs.

Italian legislation (Article 2120 of the Civil Code) provides that, on the date on which each employee terminates the employment contract with the company, they receive an indemnity called TFR. The calculation of this indemnity is based on some items that make up the employee's annual remuneration for each year of work (appropriately revalued) and on the length of the employment relationship. According to Italian civil law, this indemnity is reflected in the balance sheet according to a calculation methodology based on the indemnity accrued by each employee at the balance sheet date, in the event that all employees terminate their employment contract at that date. The International Financial Reporting Interpretations Committee (IFRIC) of the International Accounting Standards Board (IASB) has addressed the issue of the Italian TFR and concluded that, in application of IAS 19, it must be calculated according to a methodology, called the Projected Unit Credit Method (the so-called "PUCM"), according to which the amount of the liability for acquired benefits must reflect the expected resignation date and must be discounted.
The actuarial assumptions and their effects take into account the regulatory changes introduced by the Italian legislator, which have provided the option for employees to allocate the TFR accrued starting from 1 July 2007 to INPS or to supplementary pension funds. The net obligation arising from defined benefit plans is calculated by estimating the amount of the future benefit that employees have accrued in exchange for the work performed in the current and previous financial years; this benefit is discounted to calculate the present value. The actuarial gains and losses relating to defined benefit plans, accumulated up to the previous financial year and which reflect the effects arising from changes in the actuarial assumptions used, are fully recognized in the statement of comprehensive income.
The actuarial valuation of the liability was performed by an independent actuary. The Group does not have other defined benefit pension plans. The obligation arising from defined contribution plans is limited to the payment of contributions to the State or to a legally separate estate or entity (so-called fund), and is determined on the basis of the contributions due.

3.15 Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods and services is transferred to the customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. The Group has generally concluded that it acts as Principal for the majority of all revenue-generating arrangements.
The Group has a main revenue stream of "energy sales" and other minor, non-relevant revenue streams including maintenance.
The Group considers whether there are other promises in the contract that represent performance obligations to which a portion of the transaction consideration must be allocated. In determining the price of the sales transaction, the Group considers the effects of the presence of variable consideration, significant financing components, non-cash consideration and consideration payable to the customer (if any).

3.16 Financial charges

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that requires a sufficiently long period before it is available for use are capitalised in the cost of the asset. All other borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with obtaining financing.

3.17 Income Taxes

Current taxes

Current tax assets and liabilities for the year are measured at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are those enacted, or

substantially in force, at the balance sheet date in the countries where the Group operates and generates its taxable income.
Current taxes relating to items recognised directly in equity are also recognised in equity and not in the statement of profit or loss. Management periodically evaluates the position taken in the tax return in cases where tax rules are subject to interpretation and, where appropriate, makes provisions.

Deferred taxes

Deferred taxes are calculated by applying the so-called *"liability method"* to the temporary differences at the balance sheet date between the tax values of assets and liabilities and the corresponding balance sheet values.
Deferred tax liabilities are recognized on all taxable temporary differences, with the following exceptions:

- liabilities arise from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction itself, does not affect either the financial statement result or the tax result;
- the reversal of taxable temporary differences associated with investments in subsidiaries, associates and *joint ventures* can be controlled, and it is probable that it will not occur in the foreseeable future.

Deferred tax assets are recognised against all deductible temporary differences, unused tax credits and tax losses carryforwards to the extent that it is probable that sufficient future taxable income will be available to allow the utilisation of the deductible temporary differences and unused tax credits and tax losses carryforwards, except where:

- the deferred tax asset related to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that does not represent a business combination and, at the time of the transaction itself, does not affect either the financial statement result or the tax result;
- In the case of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable income to allow the recovery of such temporary differences.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to permit the utilization of all or part of that credit. Unrecognized deferred tax assets are reviewed at each balance sheet date and are recognized to the extent that it becomes probable that taxable income will be sufficient to permit the recovery of such deferred tax assets.
In assessing the recoverability of deferred tax assets, the Group relies on the same forward-looking assumptions used elsewhere in the financial statements and other management *reports* , which, among other things, reflect the potential impact of climate-related developments on the business, such as increased production costs as a result of measures to reduce carbon emissions.
Deferred tax assets and liabilities are measured at the tax rates expected to be applied in the period in which such assets are realized or such liabilities are settled, taking into account the rates in force and those already enacted, or substantially in force, at the balance sheet date.
Deferred taxes relating to items recognised outside the income statement are also recognised outside the income statement and, therefore, in equity or in the statement of comprehensive income, consistently with the item to which they refer.
Tax benefits acquired as a result of a business combination, but which do not meet the criteria for separate recognition at the acquisition date, are recognized subsequently, if necessary, when new information is

obtained on changes in facts and circumstances. The adjustment is recognized as a reduction in goodwill (up to the value of goodwill), if it is recognized during the measurement period, or in the income statement, if recognized subsequently.
The Group offsets deferred tax assets and deferred tax liabilities if and only if there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes payable to the same tax authority by the same taxpayer or by different taxpayers who intend to settle the current tax assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously, with respect to each future period in which the deferred tax assets and liabilities are expected to be settled or recovered.

Indirect taxes

Costs, revenues, assets and liabilities are recognised net of indirect taxes, such as value added tax, with the following exceptions:

- → the tax applied to the purchase of goods or services is non-deductible; in this case it is recorded as part of the purchase cost of the asset or part of the cost recorded in the income statement;
- → Trade credits and payables include applicable indirect tax.

NOTE NO. 4 - NEW ACCOUNTING PRINCIPLES, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The Group has not adopted early any new standards, interpretations or amendments issued but not yet effective. The accounting standards, amendments and interpretations not adopted early for the year ended 31 December 2024 regulate situations and cases that do not have significant effects on the Company's financial position, results of operations and cash flows and on the information contained in the consolidated financial statements.
The Group is assessing the impact of changes, amendments and interpretations to the Endorsement Accounting Standards not adopted early or in the process of being endorsed.

IFRS 17 – Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard for insurance contracts that addresses recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts, issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g. life, non-life, direct insurance and reinsurance), regardless of the type of entity issuing them, as well as certain guarantees and financial instruments with discretionary participation features; some scope exceptions apply. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts for insurers. In contrast to the requirements of IFRS 4, which are largely based on the retention of previous local accounting principles, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, integrated by:

- A specific adaptation for contracts with direct participation features (the variable commission approach)
- A simplified approach (the premium allocation approach) mainly for short-term contracts.

The changes had no impact on the Group's consolidated financial statements.

Definition of Accounting Estimates – Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use valuation techniques and inputs to develop accounting estimates.

The changes had no impact on the Group's consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply material judgements to accounting policy disclosures. The amendments aim to help entities provide more useful accounting policy disclosures by replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies and by adding guidance on how entities apply the concept of materiality in making accounting policy disclosure decisions.

The amendments had an impact on the disclosure of the Group's accounting policies, but not on the measurement, recognition and presentation of elements of the Group's consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 *Income Taxes* narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to taxable and deductible temporary differences in equal measure such as leases and decommissioning liabilities. The amendments have had no impact on the Group's consolidated financial statements.

International Tax Reform – Pillar Two Model Rules – Amendments of IAS 12

The amendments to IAS 12 have been introduced to respond to the OECD BEPS *Pillar Two rules* and include:

- A temporary mandatory exemption from the recognition and disclosure requirements for deferred taxes that arise from the implementation in jurisdictions of the *Pillar Two rules* ; and
- Disclosure requirements for affected entities to help users of financial statements better understand the income tax impacts of such legislation, particularly prior to the effective date of entry into force.

The temporary mandatory exemption – for the use of which disclosure is required – is immediately applicable. The remaining disclosure requirements apply for fiscal years beginning on or after January 1, 2023, but not for interim periods before December 31, 2023.

The amendment has no impact on the Group's consolidated financial statements as the Group is not affected by the *Pillar Two rules* as its revenues are less than 750 million Euro/year.

NOTE NO. 5 - DISCRETIONARY VALUATIONS AND SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires the Directors to make discretionary judgements, estimates and assumptions that affect the values of revenues, costs, assets and liabilities and the related disclosures, as well as the disclosure of contingent liabilities. Uncertainty about such assumptions and estimates could result in outcomes that will require, in the future, a significant adjustment to the carrying amount of such assets and/or liabilities.

5.1 Depreciation period of tangible and intangible assets and impairment test

Depreciation of tangible fixed assets and intangible fixed assets with a finite useful life and the forecast data used for the purposes of impairment testing require a discretionary assessment by the directors. At each balance sheet date, this assessment is reviewed in order to verify that the amounts recorded are representative of the best estimate of the costs that may be incurred by the Group and, in the event that significant variations are detected, the amounts recorded in the balance sheet are reviewed and updated. With regard to the impairment test, please refer to the paragraph "Loss in value of assets (impairment)".

5.2 Corporate Mergers

The recognition of business combinations involves the attribution of the difference between the purchase cost and the net book value to the assets and liabilities of the acquired company. For most assets and liabilities, the attribution of the difference is carried out by recognising the assets and liabilities at their fair value. The unattributed part, if positive, is recorded in goodwill; if negative, it is charged to the income statement. In the attribution process, the Group uses available information and, for the most significant business combinations, external valuations.

5.3 Provision for expected losses on trade receivables

The Group uses a matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for each class of customers grouped into various segments that have similar historical loss patterns (e.g., by geography, product type, customer type, rating and collateral).

The matrix is initially based on the Group's observed historical default rates. The Group will calibrate the matrix to refine the historical credit loss data with forward-looking elements. For example, if the expected economic conditions (e.g. gross domestic product) are expected to deteriorate in the coming year, which may lead to an increase in the number of defaults in the manufacturing sector, the historical default rates are therefore adjusted. At each reference date, the historical default rates are updated and changes in the forward-looking estimates are analysed.
Evaluating the correlation between historical default rates, projected economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and projected economic conditions. The Group's historical credit loss experience and projected future economic conditions may also not be representative of the actual default of the customer in the future. Provision for expected losses on trade receivables and contractual assets.

5.4 Deferred tax assets

Deferred tax assets are recognised in respect of deductible temporary differences between the values of assets and liabilities expressed in the balance sheet compared to the corresponding tax base and of tax losses that can be carried forward, to the extent that it is probable that there will be adequate future taxable profits against which such losses can be utilised. A discretionary assessment is required by the directors to determine the amount of deferred tax assets that can be recognised, which in turn depends on the estimate of the probable timing and amount of future taxable profits.

5.5 Employee benefit plans (End of employment benefits - "TFR")

The cost of defined benefit pension plans and other post-employment benefits and the present value of the defined benefit obligation are determined using actuarial valuations. The actuarial valuation requires the development of various assumptions that may differ from actual future developments. These assumptions include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Because of the complexity of the valuation and its long-term nature, these estimates are extremely sensitive to changes in assumptions. All assumptions are reviewed annually.

The discount rate is the most variable parameter. In determining the appropriate discount rate, the directors use as a benchmark the interest rate of bonds (corporate bonds), in currencies consistent with the currencies of the defined benefit obligations, that have a minimum rating of AA, assigned by internationally recognised rating agencies, and with average maturities corresponding to the expected duration of the defined benefit obligation. Bonds are subject to further qualitative analysis and those with a credit spread considered excessive are excluded from the basket of bonds on which the discount rate is calculated, as they do not represent a category of high quality bonds.
The mortality rate is based on available country-specific mortality tables. These tables tend to change only in response to a change in demographic assumptions. Future wage increases and pension increases are based on expected inflation rates for each country.

5.6 Lease – Estimation of the marginal financing rate and determination of the duration of the financing contract

The Group cannot easily determine the interest rate implicit in the lease and therefore uses the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the interest rate that the lessee would have to pay to borrow, over a similar term and with similar security, an asset of similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group would have had to pay, which requires estimation when no observable input exists (such as in the case of investees that are not direct parties to financing transactions) or when rates need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the functional currency of the investee). The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) if available.
The Group determines the lease term as non-cancellable together with any period covered by an option to extend the lease if it is reasonably certain that it will be exercised, or any period covered by an option to terminate the lease if it is reasonably certain that it will not be exercised. The Group has several leases that include extension and termination options. The Group uses judgment in assessing whether it is reasonably certain whether to exercise the option to renew or terminate the lease. All relevant factors that create an economic incentive for renewal or termination to be exercised are considered. After the effective date, the Group reviews the lease term if a significant event or change in circumstances occurs that is within its control and affects its ability to exercise or not exercise the option to renew or terminate.

5.7 Provision for dismantling costs

The Group has recorded a provision for the obligations to dismantle and remediate photovoltaic, wind and aerogeneration plants. In determining the fair value of the provision, estimates and assumptions were made on the expected costs for dismantling and removing the plants from the site on which they are located in order to remedy environmental damage caused by the same. In estimating the expected costs, the Group takes into account changes in environmental regulations that could have an impact on the process of dismantling and removing the plants.

NOTE NO. 6 - ACQUISITIONS IN 2024

Below are the details of the allocations resulting from the eliminations of the individual shareholdings acquired in 2024 by the Group:

Society	Allocation	Amount
VENOSA ONE SRL	Goodwill	182,907
GPG RENEWABLE ENERGY SRL	Goodwill	1,117,294
MONDOLFO CAPITAL SRL	Goodwill	1,371,955
FUTURA SRL	Goodwill	1,414,196
MARGHERITA SRL	Goodwill	328,932
BAT INVEST SRL	Goodwill	889,409
Total Allocation		**5,304,693**

NOTE NO. 7 - GOODWILL

The movement of the goodwill item at 31 December 2024, amounting to Euro 47,043 thousand, is highlighted below:

Description	Initial Consist.	Increases/Decreases	Depreciation	Final Consist.
In thousands of Euros				
Goodwill	37.069	9.975		47.043
Total	**37.069**	**9.975**	**-**	**47.043**

Goodwill derives for approximately €38 million from the differences that emerged during consolidation due to the cancellation of the shareholdings and the corresponding fraction of the investee's net equity and, for approximately €8 million, from the goodwill recorded in the individual balance sheets of the subsidiaries.

NOTE NO. 8 - INTANGIBLE ASSETS

The movement of the intangible assets item at 31 December 2024 is highlighted below:

Description	Initial Consist.	Final Consist.
In thousands of Euros		
Surface rights	8.156	7.424
Licenses	652	639
Software	19	80
Intangible_assets_in_progress	866	427
Other intangible assets	1.055	1.298
Total	**10.748**	**9.868**

They are recorded at the historical acquisition cost and shown net of amortization incurred during the financial years and charged directly to the individual items.

At the balance sheet date, there were no indicators of impairment deriving from either internal sources (corporate strategies) or external sources (regulatory, economic, technological context in which the Group operates) relating to the complex of intangible assets.

NOTE NO. 9 - ACTIVITIES FOR RIGHT OF USE

The movement of the item assets by right of use at 31 December 2024 is highlighted below:

Description	Initial Consist.	Final Consist.
In thousands of Euros		
Rights of use	4.831	4.899
Total	**4.831**	**4.899**

The item “Right to use photovoltaic systems” mainly includes financial leases signed to finance the systems.

NOTE NO. 10 - REAL ESTATE, PLANT AND MACHINERY

The composition of the item Property, plant and equipment as of December 31, 2024 is highlighted below:

Description	Initial Consist.	Final Consist.
In thousands of Euros		
Land_and_Buildings	7.489	10,588
Photovoltaic system	71.021	101.125
Wind farm	2.555	4.575
Wind turbines	1.324	1.217
Other tangible fixed assets	2.967	6.033
Tangible_fixed_assets_in_progress	8.051	10.998
Total	**93.408**	**134.536**

The photovoltaic plants and wind plants are owned entirely by the controlled companies.

NOTE NO. 11 - SHAREHOLDINGS AND CAPITAL INSTRUMENTS

The shareholdings item amounts to a total of Euro 27 thousand.

Description	Initial Consist.	Final Consist.
In thousands of Euros		
Shareholdings and capital instruments	1.491	27
Total	**1.491**	**27**

NOTE NO. 12 - NON-CURRENT FINANCIAL ASSETS

The item Other non-current financial assets amounts to a total of Euro 10.2 thousand as of December 31, 2024.
The item details are reported below:

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Other non-current financial assets	10.1	0.1	10.2
Total	**10.1**	**0.1**	**10.2**

NOTE NO. 13 – OTHER NON-CURRENT ASSETS

The item Other non-current assets amounts to a total of Euro 2,450 thousand as of December 31, 2024.

The item details are reported below:

Description	Initial Consist.	Final Consist.
In thousands of Euros		
Eco-bonus/earthquake-bonus tax credit	206	-
Credits from associated companies	503	-
WEEE GSE withholdings (Dismantling)	94	917
Credits for confirmatory deposits	833	1.141
Various security deposits	467	379
Security deposits for utilities	15	13
Total	**2.118**	**2.450**

NOTE NO. 14 - NON-CURRENT ACTIVE DERIVATIVE INSTRUMENTS

The item amounts to Euro 96 thousand as of December 31, 2024.

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Non-current active derivative instruments	499	- 402	96
Total	**499**	**- 402**	**96**

NOTE NO. 15 – INVENTORIES

The inventory item amounts to Euro 373 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Remaining stock	211	162	373
Total	**211**	**162**	**373**

Raw materials, auxiliary materials and finished products are recorded at purchase or production cost and, if lower, at the realisable value inferred from market trends. Production cost includes direct costs and indirect costs incurred during production and necessary to bring the inventory to its current condition and location.

NOTE NO. 16 - TRADE CREDITS

The trade receivables item amounts to Euro 3,896 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Credits to customers	3.193	872	4.065
Bad debt provision	- 162	-	- 169
Total	**3.032**	**872**	**3.896**

The provision for doubtful accounts recorded represents the best possible estimate made by management, based on the information available at the date of preparation of the financial statements. Estimates and assumptions are made by the directors with the support of the corporate function in accordance with the provisions of IFRS 9.

Impairment of trade receivables is carried out using the simplified approach permitted by the principle. This approach involves estimating the expected loss over the entire life of the receivable at the time of initial recognition and in subsequent assessments. For each customer segment, the estimate is carried out mainly through the determination of the expected average uncollectability, based on historical-statistical indicators, possibly adjusted using prospective elements. For some categories of receivables characterized by peculiar risk elements, specific assessments are instead carried out on individual credit positions.

NOTE NO. 17 - TAX CREDITS

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Tax credits	434	396	830
Total	**434**	**396**	**830**

NOTE NO. 18 - DEFERRED TAX ASSETS AND LIABILITIES

The composition of deferred tax assets and liabilities as of December 31, 2024 is shown below.

The Company's net deferred tax assets as of December 31, 2024 amount to Euro 1,532 thousand.

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
IRAP credits for advance taxes	99	56	155
IRES Credits for Advance Taxes	1.714	- 337	1.377
Total	**1.813**	**- 281**	**1.532**

NOTE NO. 19 - OTHER CURRENT FINANCIAL ASSETS

The item Other current financial assets amounts to a total of Euro 485 thousand as of December 31, 2024.

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Other current financial assets	770	- 285	485
Total	**770**	**- 285**	**485**

The item mainly consists of investments in short-term securities and the related interest income to be collected.

NOTE NO. 20 - OTHER CURRENT ASSETS

The item Other current assets amounts to a total of Euro 14,055 thousand as of December 31, 2024.

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Other current activities	11.517	2.538	14.055
Total	**11.517**	**2.538**	**14.055**

They mainly consist of VAT credits and the balancing of GSE incentive collections.

NOTE NO. 21 - LIQUID ASSETS

Liquid assets amounted to Euro 35,501 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Banks current accounts	11.812	23.675	35.487
Cash and valuables in cash	4	11	14
Total	**11.816**	**23.686**	**35.501**

Cash deposited with banks accrues interest based on variable daily deposit rates.
The Group believes that the credit risk associated with cash and cash equivalents is limited because it mainly consists of fractional deposits in national banking institutions.

NOTE NO. 22 - NET WORTH

The share capital, fully paid, is equal to Euro 10,360 thousand. The Net Equity is equal to Euro 85,031 thousand as of December 31, 2024. The Other reserves are equal to Euro 73,322 thousand as of December 31, 2024. The effects on the Net Equity due to the discounting of the TFR fund amount to Euro 2 thousand as of December 31, 2024, in line with the accounting principle IAS 19, please refer to NOTE no. 21 for the detailed analysis.

The following is a reconciliation table between the net assets of the parent company Undo. Srl and the consolidated balance sheet:

Description	12/31/2023	Overall result '23	Overall result '24	Other variations	12/31/2024
Share capital	10,360,000				10,360,000
Legal reserve	-	-			-
Other reserves (with profits from 2018)	-				-
Profit/(Loss) carried forward	(1,822,434)	- 42,332		145,000	(1,635,102)
Consolidation reserve	-				-
Expected financial flow coverage res.op.	379,020		(379,020)		-
Revaluation reserve	-		-		
Merger surplus reserves	-				-
Surcharge reserve	74,966,381				74,966,381
Other reserves	0				0
TFR Reserve	7,429		1,897		9,327
Total operating result	42,332	(42,332)	1,349,660	-	1,349,660
Total Net Worth	**83,917,870**	**-**	**968,743**	**145,000**	**85,031,613**

Consolidated data	2024	
in thousands of Euros	Euro '000	
	Net Worth	**Net Result**
Parent Company Balance Sheet	**85.212**	**40**
Net contribution of consolidated companies	495	422
Intercompany Eliminations	302	38
Other movements in net equity	-977	850
Consolidated result/net equity	**85.032**	**1.350**

NOTE NO. 23 - EMPLOYEE BENEFITS

The item employee benefits amounted to Euro 196 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Employee Benefits	166	30	196
Total	**166**	**30**	**196**

The item is moved only in the employee *severance pay fund* , including the total value of severance pay accrued by personnel in service for the Company. This in application of current laws and employment contracts, net of advances granted, determined pursuant to art. 2120 of the Civil Code, and the transfer to other entities as supplementary pension.

The actuarial valuation of the liability was performed by an independent actuary. The Company does not have any other defined benefit pension plans. The Company's obligation under defined contribution plans is limited to the payment of contributions to the State or to a separate legal entity or estate (so-called fund), and is determined on the basis of the contributions due.

The actuarial valuation of the TFR, which was carried out on a closed group basis, is carried out on the basis of the "accrued benefits" methodology using the "Projected Unit Credit" (PUC) criterion as set out in paragraphs 67-69 of IAS 19.

Following the introduction of the Pension Reform, this methodology differs depending on whether it is applied to companies with an average of at least 50 employees during 2006 or with fewer than 50 employees during 2006.

The data was provided by the Company's managers. The assessment was developed by considering the data of employees present at December 31, 2024 at an individual level.

In addition, if among the employees there are the so-called "unpaid terminated" and the fixed-term employees, i.e. employees who have already interrupted or will interrupt their work activity in the next few months and for whom the accrued TFR has not yet been liquidated, in the assessments carried out no projection of the individual position was made. The IAS 19 liability was therefore assumed to be equal to the civil law reserve set aside.

The actuarial model of reference for the TFR evaluation is based on various hypotheses of both a demographic and economic nature.

For some of the hypotheses used, where possible, explicit reference was made to the direct experience of the Company, for the others the reference best practice was taken into account.

The economic technical bases used are reported below.

- the annual discount rate used to determine the present value of the obligation was derived, in accordance with paragraph 83 of IAS 19, from the Iboxx Corporate AA index with duration 10+ recorded at the valuation date. To this end, the yield with a duration comparable to the duration of the group of workers being valued was chosen;
- the annual rate of increase of the TFR as provided for by art. 2120 of the Civil Code, is equal to 75% of inflation plus 1.5 percentage points;
- the annual rate of salary increase applied exclusively to Companies with an average of less than 50 employees during 2006 was determined on the basis of what was communicated by the Company Managers.

In particular, the accounting values, referring to the interval between the previous and the current point-by-point evaluation, are represented by the following components:

- The initial **DBO** , i.e. the expected present value of benefits payable in the future, relating to previous work activity, already available at the beginning of the period;
- Curtailment **/Settlement** , i.e. the change in liabilities due to changes to the plan or events that lead to a reduction in personnel, such as plant closures, redundancy, etc.;
- The Service Cost (SC), i.e. the expected present value of the benefits payable in the future relating to the work performed in the current period, conceptually similar to the accruing portion of the civil TFR (this value will obviously be zero in the case of adoption of the methodology referred to in the previous point 3.B);

- The **Interest Cost** (IC), i.e. the interest on the amount set aside at the beginning of the period and on the corresponding movements, referring to the same observed period; this element is conceptually similar to the net revaluation attributed to the TFR by law;
- Benefits **paid and Transfers in/(out)** representing all payments and any incoming and outgoing transfers relating to the observed period, elements that give rise to the use of the accrued liability.

The accounting sum of the previous elements allows us to identify the value of the expected accrued amount at the end of the observation period (Expected DBO) which, compared with the recalculated DBO at the end of the period on the basis of the collective result at that date and the new evaluation hypotheses, allows the identification of actuarial gains or losses called Actuarial Gains/Losses (AGL).

These Actuarial Gains/Losses are divided into three types:

1. **From experience:** due to the changes that the group being evaluated has undergone between one evaluation and another, in terms of new entries, resignations, retirements, requests for advances, etc. that differ from what was hypothesized;
2. **From demographic hypothesis changes:** determined by changes to the demographic hypotheses between one evaluation and the next;
3. **From changes in economic assumptions:** determined by changes in economic assumptions and mainly due to changes in the annual discount rate.

As required by IAS 19, a sensitivity analysis must be performed when the main actuarial assumptions included in the calculation model vary. The following tables show, in absolute and relative terms, the changes in the IAS19 valued liability (DBO) in the event of a positive or negative change of 10% in the revaluation and/or discount rates.

The following table shows the update carried out:

	MADRE HOLDING SPA	SUN BERSERKER SRL	TESTUDO SRL	UNDO ADUNANZA SRL	UNDO SRL	TOTAL
Defined Benefit Obligation al 01.01.2024	6,357,30	3,646,18	2,004,14	70,213,49	83,521,23	165,742,33
Adjustment	0.00	0.00	-1,889,96	-15,256,04	11,973,70	-5,172,30
Service Cost	1,315,18	1,672,40	4,773,41	25,794,61	38,364,71	71,920,31
Interest Cost	0.00	115.58	33.58	2,075,60	2,291,66	4,516,42
Benefits paid	-6,784,61	0.00	0.00	-9,474,48	-22,457,94	-38,717,03
Transfers in/ (out)	0.00	0.00	0.00	0.00	0.00	0.00
Expected DBO al 31.12.2024	887,87	5,434,17	4,921,16	73,353,17	113,693,37	198,289,73
A(G)/L da esperienza	-$87,87	1,098,91	-3,060,94	2,390,76	1,603,54	1,144,41
A(G)/L da cambio ipotesi demografiche	0.00	0.65	0.00	12.76	20.33	33.74
A(G)/ L da cambio ipotesi finanziarie	0.00	-105.88	0.00	-1,084,16	-1,827,51	-3,020,55
Defined Benefit Obligation 31.12.2024	0.00	6,424,85	1,860,23	74,672,53	113,459,73	196,447,33

NOTE NO. 22 - PROVISIONS FOR RISKS AND CHARGES

The item provisions for risks and charges amounts to a total of Euro 7,429 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Initial Consist.	Final Consist.
In thousands of Euros		
Recovery Fund	1.489	2.105
Cyclical maintenance fund	28	-
Consolidation fund for future risks and charges	4.628	5.324
Total	**6.146**	**7.429**

The line includes:

→ the provision for expected decommissioning costs to settle the obligation, associated with the decommissioning liability;
→ the provision relating to the forecast of possible unfavourable economic results of the subsidiaries.

NOTE NO. 23 - FINANCIAL DEBTS

The total financial debt item (current and non-current) amounts to Euro 138,660 thousand as of December 31, 2024.

The item details are reported below:

Description	Initial Consist.	Increases/Decreases Non-current Share	Increases/Decreases Current Quota	Final Consist.
In thousands of Euros				
Non-current financial debt	74.830	65.746	- 1.915	138.660
Total	**74.830**	**65.746**	**- 1.915**	**138.660**

NOTE NO. 24 – OTHER LIABILITIES

The item other non-current liabilities amounts to a total of Euro 0 thousand as of December 31, 2024. The composition of the item is shown below:

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Other non-current liabilities	2.338	- 2.338	0
Total	**2.338**	**- 2.338**	**0**

NOTE NO. 25 - TRADE PAYABLES

The item trade payables amounts to Euro 11,680 thousand as of December 31, 2024; this is recorded net of trade discounts, furthermore the nominal value is adjusted in the event of returns or discounts (invoicing adjustments) in the amount corresponding to the amount defined with the counterparty.

The composition of the voice is reported below:

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Trade payables	6.856	4.824	11.680
Total	**6.856**	**4.824**	**11.680**

NOTE NO. 26 - TAX DEBTS

The tax debt item amounts to Euro 265 thousand as of December 31, 2024.

The item details are reported below:

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Tax debts	277	-12	265
Total	**277**	**-12**	**265**

NOTE NO. 27 - OTHER CURRENT LIABILITIES

The item Other current liabilities amounts to Euro 6,333 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Initial Consist.	Increases/Decreases	Final Consist.
In thousands of Euros			
Other current liabilities	2.717	3.616	6.333
Total	**2.717**	**3.616**	**6.333**

NOTE NO. 28 – REVENUES

Revenues amounted to Euro 20,696 thousand as of December 31, 2024.

The following is a breakdown of the item Revenue from contracts and services:

Description	Balance as of 12/31/2024	Balance as of 12/31/2023
In thousands of Euros		
Revenues from energy sales	13,655	9.815
Revenue from energy sales	6.225	3.180
Active rentals	308	367
Service performance	302	103
Fees for performances	74	52
Technical Asset Management	-	47
Administrative Asset Management	60	30
Sale of finished products	-	15
Other residuals	72	73
Total	**20.696**	**13.682**

The following table shows the details of the Other revenues item:

Description	Balance as of 12/31/2024	Balance as of 12/31/2023
In thousands of Euros		
Compensation for damages, loss of products/accidents	70	712
Other revenues and income	2.226	361
Total	**2.296**	**1.073**

All revenues are generated in Italy.

NOTE NO. 29 - COSTS FOR RAW MATERIALS

The item costs for raw materials, supplies, consumables and goods amounted to Euro 270 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Balance as of 12/31/2024	Balance as of 12/31/2023
In thousands of Euros		
Purchase of raw materials, supplies and goods	127	155.2
Inventory change	136	- 211.2
Additional charges on purchases	6	1,2
Total	**269.1**	**- 54.8**

NOTE NO. 30 - COSTS FOR SERVICES

The item costs for services amounts to Euro 3,765 thousand as of December 31, 2024.

The composition is reported below:

Description	Balance as of 12/31/2024	Balance as of 12/31/2023
In thousands of Euros		
Administrative, technical and general consultancy	811	1.564
Administrative, technical and general services	258	433
Third party processing	658	334
Utilities	422	317
Maintenance Costs	229	294
Insurance premiums	362	268
Other personnel costs	190	148
Directors' compensation	30	78
Auditors' fees	235	146
Board of Auditors compensation	37	35
Shipping and transport costs	107	111
Car and motor vehicle costs	8	59
Rental, lease and DDS fees	190	56
Travel, hotel and restaurant expenses	38	42
Other costs for services	190	85
Total	**3.765**	**3.971**

NOTE NO. 31 - PERSONNEL COSTS

The personnel costs item amounts to Euro 1,545 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Balance as of 12/31/2024	Balance as of 12/31/2023
In thousands of Euros		
Salaries and Wages	1.375	713
Social security contributions and charges	81	70
TFR Provision	82	42
Refunds, Allowances and Travel	9	8
Total	**1.545**	**833**

NOTE NO. 32 - OTHER OPERATING COSTS

The item other operating costs amounts to Euro 667 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Balance as of 12/31/2024	Balance as of 12/31/2023
In thousands of Euros		
Contingencies and Passive Capital Losses	134	553
Other taxes and administrative charges	316	546
Costs pertaining to previous financial years	115	70
Non-deductible costs	37	33
Sanctions, penalties and fines	8	22
Liberal donations	-	14
Tributes	2	13
Membership fees	6	4
Other operating costs	48	17
Total	**667**	**1.272**

NOTE NO. 33 - AMORTIZATION AND DEPRECIATION

The item Amortization and Depreciation amounts to Euro 8,432 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Balance as of 12/31/2024	Balance as of 12/31/2023
In thousands of Euros		
Amortization of intangible assets	712	408
Amortization of right to use plants	1.856	857
Depreciation of tangible fixed assets	5.864	3.342
Total	**8.432**	**4.607**

NOTE NO. 34 - FINANCIAL INCOME AND EXPENSES

The item of financial income and expenses amounts to Euro 4,967 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Balance as of 12/31/2024	Balance as of 12/31/2023
In thousands of Euros		
Financial income	1.028	495
Financial charges	5.715	3.345
Differences on exchange rates	0	0
Total	**4.687**	**2.850**

NOTE NO. 35 - INCOME TAXES

The income tax item amounts to Euro 2,273 thousand as of December 31, 2024.

The composition of the voice is reported below:

Description	Balance as of 12/31/2024	Balance as of 12/31/2023
In thousands of Euros		
Deferred passive taxes IRES	- 120	- 338.5
Deferred passive IRAP taxes	-	- 24.1
Taxes from tax consolidation	522	555.4
Current IRES taxes	848	180.6
Current IRAP taxes	797	334.6
Other Taxes and Duties	226	499.7
Total	**2.272**	**1.207**

NOTE NO. 36 – DISPUTES

There are no pending passive disputes. In 2022, the subsidiary Madre Holding promoted the appeal to art. 15-bis (so-called Extraprofit Norm), currently still pending.

NOTE NO. 37 - COMMITMENTS AND RISKS

Society	Typology	Amount (amount in €)
Guarantees provided in favor of the group		
Madre Holding Group	Mortgage Guarantees	550,600
Guarantees provided by the Group		
Madre Holding Group	Mortgage on Real Estate	238,427,026
Testudo Srl	Mortgage on Real Estate	6,305,000
Madre Holding Group	Special privilege on modules and inverters	31,824,994
Madre Holding Group	Pledge on shares	1,204,000

NOTE NO. 38 - SIGNIFICANT ATYPICAL AND/OR UNUSUAL TRANSACTIONS

No atypical and/or unusual transactions occurred in the financial year ended December 31, 2024.

NOTE NO. 39 - EMPLOYMENT DATA

Human resources are one of the pillars of the success of the Undo Group, especially in this phase of structural and organizational growth. The company policy is oriented towards the enhancement of internal resources and the hiring of new high-level professionals and young talents. Personnel evaluation systems and reward mechanisms have been introduced to motivate and stimulate performance, together with training and development programs aimed at strengthening the managerial, communication and management skills of top and middle management. Particular attention is paid to compliance with regulations, including 231 and privacy. The company offers company benefits such as meal vouchers, Metasalute health coverage and company cars for management, and promotes work-life balance through flexible smart-working. Attention is focused both on the well-being of employees and on the selection process, aimed at the inclusion of qualified figures not only for technical skills, but also for motivation, environmental awareness and ethical values that contribute to the harmonious and ethical growth of the company.

For a better understanding of the Group's situation and management performance, the main data relating to corporate employment by Group company are provided:

12/31/2024	Undo Srl	Undo Adunanza Srl	Testudo Srl	MADRE Holding SpA	Sun Berserker Srl	Group Total
Managers	4	-	-	-	-	4
Employees	16	10	-	0	2	28
Workers	-	2	1	-	-	3
Paintings	6	4	-	-	-	10
Total Employees	**26**	**16**	**1**	**0**	**2**	**45**
Other types of reports						6
Overall Total						**51**

NOTE NO. 40 - COMPENSATION TO DIRECTORS, AUDITORS AND AUDITING FIRM

The compensation accrued by the directors of the Parent Company amounts to a total of Euro 20 thousand.

The accrued compensation relating to the Board of Statutory Auditors of the Parent Company as of 31 December 2024 amounts to Euro 17.5 thousand.

The fees to the auditing firm EY S.p.A. accrued for the 2024 financial year across the entire group amount to Euro 115 thousand.

NOTE NO. 41 - SIGNIFICANT EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

During the first quarter of 2025, an agreement was signed by which the Company CAP S.p.A., in relation to the Project Finance mentioned in the paragraph “Significant events occurred during the year” and Unicredit, BPER and MPS agree to exchange, on pre-established dates and on pre-established notional amounts corresponding to those of the underlying financing, a fixed rate defined at the beginning of the operation against a variable rate found on the market (Interest Rate Swap). In detail, CAP S.p.A., which is indebted at a variable rate, at each maturity and at the corresponding notional reference amount, pays the banks the pre-established fixed rate and collects the variable rate from them (which offsets the variable rate paid on the covered financing).

NOTE NO. 43 - FAIR VALUE HIERARCHY

The following table presents the carrying amount of the assets and liabilities shown in the balance sheet, compared with their fair value.

Assets and Liabilities		As of December 31, 2024
in thousands of Euros	Book Value	Fair Value
Current and non-current financial debts	138.661	138.661
Participations	27	27
Other current and non-current financial assets	495	495
Active Derivatives	97	97

With reference to the financial liabilities reported above, it should be noted that they are valued at Fair Value Level 3.
With reference to the shareholdings, it is noted that the purchase cost approximates the fair value since there is no active market for the aforementioned shares, and if the company plans to sell them, it expects to recover the entire purchase price.
Management has verified that the fair value of other items approximates the carrying amount as a result of the short-term maturities of these instruments.

Fair value – hierarchy

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants, at the measurement date (the so-called exit price).

All financial instruments carried at fair value, or for which disclosure is provided, are classified into the three fair value categories described below, based on the lowest level of input that is significant for the purposes of determining fair value as a whole:

1. **Level 1:** Quoted prices (unadjusted) in an active market for identical assets or liabilities;
2. **Level 2:** Valuation techniques for which the lowest level of input significant to the determination of fair value is directly or indirectly observable;
3. **Level 3:** Valuation techniques for which the lowest level of input significant to the determination of fair value is unobservable.

At the end of each period, the Group determines whether, with respect to financial instruments measured on a recurring basis at fair value, there have been transfers between the levels of the hierarchy by re-evaluating their classification (on the basis of the lowest level of input that is significant for the purposes of determining fair value as a whole).

Evaluation processes

For recurring and non-recurring fair value measurements classified in Level 3 of the fair value hierarchy, the Group uses valuation processes to define valuation procedures and principles and to analyse changes in the fair value measurement from one period to the next.
It should be noted that there have been no changes in the levels of the fair value hierarchy used for the measurement of financial instruments and that the methodologies used in measuring such Level 2 and Level 3 fair value are consistent.
Evaluation techniques and considerations specific to Level 3 input data are further explained below.

Evaluation techniques and hypotheses

The fair value of financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date and under current market conditions (an exit price), regardless of whether the price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:

1. The fair value of listed securities and bonds is based on the quoted price at the balance sheet date. The fair value of unlisted instruments, such as loans from banks or other financial liabilities, obligations arising from finance leases or other non-current financial liabilities, is estimated through discounted future cash flows by applying the current rates available for debt with similar terms, such as credit risk and remaining maturities. The fair value of shares is sensitive to both a possible change in expected cash flows and/or the discount rate and a possible change in growth rates. For the purposes of the estimate, management must use unobservable input data that are reported in the following tables. Management regularly evaluates a series of possible alternatives to these significant input data and determines their impact on the total fair value.
2. The fair value of unlisted common stock was estimated using the discounted cash flow (DCF) model. The valuation requires management to make certain assumptions with respect to the inputs to the model, including expected cash flows, discount rate, credit risk and volatility. The probabilities of the different estimates within the range can be reasonably verified and are used in management's estimates of the fair value for these unlisted investments.

NOTE NO. 44 - PROPOSAL FOR ALLOCATION OF PROFITS OR COVERAGE OF LOSSES

This Financial Statement, consisting of the Balance Sheet, the Income Statement, the Comprehensive Income Statement and these Notes to the Financial Statements, provides a true and fair view of the financial position of the Undo Group, as well as the economic result for the period, and corresponds to the results of the accounting records.

I therefore invite you to approve the Financial Statements closed on 31 December 2024, as submitted to your attention, in the individual items and as a whole, and to carry forward the profit for the period of 1,350 thousand euros.

Rome, 04/28/2025, Umberto Deodati